# **AGREEMENT**

by and between

**Sharon Telephone Company** 

and

Verizon North Inc., f/k/a GTE North Incorporated

FOR THE STATE OF

Wisconsin

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#### **AGREEMENT**

#### **PREFACE**

This Agreement ("Agreement") is made by and between Sharon Telephone Company (SHARON), a corporation organized under the laws of the State of Wisconsin, with offices at 105 Plain Street, Sharon, Wisconsin 53585 and Verizon North Inc., f/k/a GTE North Incorporated ("Verizon"), a corporation organized under the laws of the State of Wisconsin with offices at 8001 West Jefferson, Ft. Wayne, IN 46804 (SHARON and Verizon may be referred to hereinafter, each individually, as a "Party," and, collectively, as the "Parties").

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, Verizon and SHARON hereby agree as follows:

# 1. The Agreement

- 1.1 This Agreement includes: (a) the Principal Document; (b) the Tariffs of each Party applicable to the Services that are offered for sale by it in the Principal Document (which Tariffs are incorporated and made a part hereof this Agreement by reference); and, (c) an Order by a Party that has been accepted by the other Party. Services which are ordered by either Party pursuant to a Tariff of the other Party shall be governed by the terms and conditions of said Tariff.
- 1.2 Conflicts among provisions in the Principal Document, Tariffs, and an Order by a Party which has been accepted by the other Party, shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Principal Document; (b) the Tariffs; and, (c) an Order by a Party that has been accepted by the other Party. The fact that a provision appears in the Principal Document but not in a Tariff, or in a Tariff but not in the Principal Document, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.2.
- 1.3 This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation, on the subject matter hereof. Except as otherwise provisioned in the Principal Document, the Principal Document may not be waived or modified except by a written document that is signed by the Parties. Subject to the requirements of Applicable Law, a Party shall have the right to add, modify, or withdraw, its Tariff(s) at any time, without the consent of, or notice to, the other Party.

# 2. Term and Termination

- 2.1 This Agreement shall be effective as of the Effective Date and, unless canceled or terminated earlier in accordance with the terms hereof, shall continue in effect until June 13, 2004 (the "Initial Term"). Thereafter, this Agreement shall continue in force and effect unless and until canceled or terminated as provided in this Agreement.
- 2.2 Either SHARON or Verizon may terminate this Agreement effective upon the expiration of the Initial Term or effective upon any date after expiration of the Initial Term by providing written notice of termination at least ninety (90) days in advance of the date of termination.

- 2.3 If either SHARON or Verizon provides notice of termination pursuant to Section 2.2 and on or before the proposed date of termination either SHARON or Verizon has requested negotiation of a new interconnection agreement, unless this Agreement is canceled or terminated earlier in accordance with the terms hereof (including, but not limited to, pursuant to Section 12), this Agreement shall remain in effect until the earlier of: (a) the effective date of a new interconnection agreement between SHARON and Verizon; or, (b) the date one (1) year after the proposed date of termination.
- 2.4 If either SHARON or Verizon provides notice of termination pursuant to Section 2.2 and by 11:59 PM Eastern Time on the proposed date of termination neither SHARON nor Verizon has requested negotiation of a new interconnection agreement, (a) this Agreement will terminate at 11:59 PM Eastern Time on the proposed date of termination, and (b) the Services being provided under this Agreement at the time of termination will be terminated, except to the extent that the Purchasing Party has requested that such Services continue to be provided pursuant to an applicable Tariff or SGAT.

# 3. Glossary and Attachments

The Glossary and the following Attachments are a part of this Agreement:

Additional Services Attachment Interconnection Attachment Pricing Attachment

# 4. Applicable Law

- 4.1 The construction, interpretation and performance of this Agreement shall be governed by (a) the laws of the United States of America and (b) the laws of the State of Wisconsin, without regard to its conflicts of laws rules. All disputes relating to this Agreement shall be resolved through the application of such laws.
- 4.2 Each Party shall remain in compliance with Applicable Law in the course of performing this Agreement.
- 4.3 Neither Party shall be liable for any delay or failure in performance by it that results from requirements of Applicable Law, or acts or failures to act of any governmental entity or official.
- 4.4 Each Party shall promptly notify the other Party in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.
- 4.5 If any provision of this Agreement shall be invalid or unenforceable under Applicable Law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.

- 4.6 If any legislative, regulatory, judicial or other governmental decision, order, determination or action, or any change in Applicable Law, materially affects any material provision of this Agreement, the rights or obligations of a Party hereunder, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.
- 4.7 Notwithstanding anything in this Agreement to the contrary, if, as a result of any legislative, judicial, regulatory or other governmental decision, order, determination or action, or any change in Applicable Law, Verizon is not required by Applicable Law to provide any Service, payment or benefit, otherwise required to be provided to SHARON hereunder, then Verizon may discontinue the provision of any such Service, payment or benefit. Verizon will provide thirty (30) days prior written notice to SHARON of any such discontinuance of a Service, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff) or Applicable Law for termination of such Service in which event such specified period and/or conditions shall apply.

# 5. Assignment

Neither Party may assign this Agreement or any right or interest under this Agreement, nor delegate any obligation under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment or delegation in violation of this Section 5 shall be void and ineffective and constitute default of this Agreement.

# 6. Assurance of Payment

- 6.1 Upon request by Verizon, SHARON shall provide to Verizon adequate assurance of payment of amounts due (or to become due) to Verizon hereunder.
- Assurance of payment of charges may be requested by Verizon if SHARON (a) in Verizon's reasonable and documented judgment, at the Effective Date or at any time thereafter, does not have established credit with Verizon, (b) in Verizon's reasonable and documented judgment, at the Effective Date or at any time thereafter, is unable to demonstrate that it is creditworthy, (c) fails to timely pay a bill rendered to SHARON by Verizon, or (d) admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.
- 6.3 Unless otherwise agreed by the Parties, the assurance of payment shall consist of (a) a cash security deposit in U.S. dollars held by Verizon or (b) an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon. The cash security deposit or letter of credit shall be in an amount equal to two (2) months anticipated charges (including, but not limited to, both recurring and non-recurring charges), as reasonably determined by Verizon, for the Services to be provided by Verizon to SHARON in connection with this Agreement.

- To the extent that Verizon elects to require a cash deposit, the Parties intend that the provision of such deposit shall constitute the grant of a security interest in the deposit pursuant to Article 9 of the Uniform Commercial Code as in effect in any relevant jurisdiction.
- 6.5 If payment of interest on a cash deposit is required by an applicable Verizon
  Tariff or by Applicable Law, interest will be paid on any such cash deposit held by
  Verizon at the higher of the interest rate stated in such Tariff or the interest rate
  required by Applicable Law.
- 6.6 Verizon may (but is not obligated to) draw on the letter of credit or cash deposit, as applicable, upon notice to SHARON in respect of any amounts to be paid by SHARON hereunder that are not paid within thirty (30) days of the date that payment of such amounts is required by this Agreement.
- 6.7 If Verizon draws on the letter of credit or cash deposit, upon request by Verizon, SHARON shall provide a replacement or supplemental letter of credit or cash deposit conforming to the requirements of Section 6.2.
- 6.8 Notwithstanding anything else set forth in this Agreement, if Verizon makes a request for assurance of payment in accordance with the terms of this Section, then Verizon shall have no obligation thereafter to perform under this Agreement until such time as SHARON has provided Verizon with such assurance of payment.
- 6.9 The fact that a deposit or a letter of credit is requested by Verizon hereunder shall in no way relieve SHARON from compliance with the requirements of this Agreement (including, but not limited to, any applicable Tariffs) as to advance payments and payment for Services, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of Services for nonpayment of any amounts payment of which is required by this Agreement.

# 7. Audits

- 7.1 Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") books, records, documents, facilities and systems for the purpose of evaluating the accuracy of the Audited Party's bills. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit found previously uncorrected net inaccuracies in billing in favor of the Audited Party having an aggregate value of at least \$1,000,000.
- 7.2 The audit shall be performed by independent certified public accountants or other independent third parties as mutually agreed to by Verizon and SHARON ("Auditors"), provided that either Party in its sole discretion may refuse to permit parties other than independent certified public accounts to conduct such audits. The Auditors shall be selected and paid by the Auditing Party. The Auditors shall be reasonably acceptable to the Audited Party. Prior to commencing the audit, the accountants shall execute an agreement with the Audited Party in a form reasonably acceptable to the Audited Party that protects the confidentiality of the information disclosed by the Audited Party to the accountants. The audit shall take place at a time and place agreed upon by the Parties; provided, that the Auditing Party may require that the audit commence no later than sixty (60) days after the Auditing Party has given notice of the audit to the Audited Party.

- 7.3 Each Party shall cooperate fully in any such audit, providing reasonable access to any and all employees, books, records, documents, facilities and systems, reasonably necessary to assess the accuracy of the Audited Party's bills.
- 7.4 Audits shall be performed at the Auditing Party's expense, provided that there shall be no charge for reasonable access to the Audited Party's employees, books, records, documents, facilities and systems necessary to assess the accuracy of the Audited Party's bills.

#### 8. Authorization

- 8.1 Verizon represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin and has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.
- 8.2 SHARON represents and warrants that it is a Corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin, and has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.

## 8.3 Certification.

Notwithstanding any other provision of this Agreement, Verizon shall have no obligation to perform under this Agreement until such time as SHARON has obtained such FCC and Commission authorization as may be required by Applicable Law for conducting business in Wisconsin. SHARON shall not place any orders under this Agreement until it has obtained such authorization. SHARON shall provide proof of such authorization to Verizon upon request in the event the Commission asks that Verizon provide such proof.

# 9. Billing and Payment; Disputed Amounts

- 9.1 Except as otherwise provided in this Agreement, each Party shall submit to the other Party on a monthly basis in an itemized form, statement(s) of charges incurred by the other Party under this Agreement.
- 9.2 Except as otherwise provided in this Agreement, payment of amounts billed for:
  (i) Services, (ii) Reciprocal Compensation, (iii) intercarrier compensation in connection with the Parties' exchange of Internet Traffic (if and to the extent applicable in accordance with Section 8.1 of the Interconnection Attachment) or, (iv) Entrance Facilities, provided under this Agreement, whether billed on a monthly basis or as otherwise provided in this Agreement, shall be due, in immediately available U.S. funds, on the later of the following dates (the "Due Date"): (a) the due date specified on the billing Party's statement; or, (b) twenty (20) days after the date the statement is received by the billed Party. Payments shall be made by such method as is mutually agreeable to the Parties.
- 9.3 If any portion of an amount billed by a Party under this Agreement is subject to a good faith dispute between the Parties, the billed Party shall give notice to the billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item and include in such notice the specific details and reasons for disputing each item within the time period allowed under the applicable statute of limitation, or the dispute shall be waived. A Party may also dispute prospectively with a single notice a class of

charges that it disputes. Notice of a dispute may be given by a Party, either before or after an amount is paid, and a Party's payment of an amount shall not constitute a waiver of such Party's right to subsequently dispute its obligation to pay such amount or to seek a refund of any amount paid. The billed Party shall pay by the Due Date all undisputed amounts. Billing disputes shall be subject to the terms of Section 14, Dispute Resolution.

- 9.4 Charges due to the billing Party that are not paid by the Due Date, shall be subject to a late payment charge. The late payment charge shall be in an amount specified by the billing Party which shall not exceed a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month.
- 9.5 Although it is the intent of both Parties to submit timely statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion.

## 10. Confidentiality

- 10.1 As used in this Section 10, "Confidential Information" means the following information that is disclosed by one Party ("Disclosing Party") to the other Party ("Receiving Party") in connection with, or anticipation of, this Agreement:
  - 10.1.1 Books, records, documents and other information disclosed in an audit pursuant to Section 7;
  - 10.1.2 Any forecasting information provided pursuant to this Agreement;
  - 10.1.3 Customer Information (except to the extent that (a) the Customer information is published in a directory, (b) the Customer information is disclosed through or in the course of furnishing a Telecommunications Service, such as a Directory Assistance Service, Operator Service, Caller ID or similar service, or LIDB service, or, (c) the Customer to whom the Customer Information is related has authorized the Receiving Party to use and/or disclose the Customer Information);
  - 10.1.4 information related to specific facilities or equipment (including, but not limited to, cable and pair information);
  - 10.1.5 any information that is in written, graphic, electromagnetic, or other tangible form, and marked at the time of disclosure as "Confidential" or "Proprietary;" and
  - 10.1.6 any information that is communicated orally or visually and declared to the Receiving Party at the time of disclosure, and by written notice with a statement of the information given to the Receiving Party within ten (10) days after disclosure, to be "Confidential or "Proprietary".

Notwithstanding any other provision of this Agreement, a Party shall have the

- right to refuse to accept receipt of information which the other Party has identified as Confidential Information pursuant to Sections 10.1.5 or 10.1.6 above.
- 10.2 Except as otherwise provided in this Agreement, the Receiving Party shall:
  - 10.2.1 use the Confidential Information received from the Disclosing Party only in performance of this Agreement; and,
  - 10.2.2 using the same degree of care that it uses with similar confidential information of its own (but in no case a degree of care that is less than commercially reasonable), hold Confidential Information received from the Disclosing Party in confidence and restrict disclosure of the Confidential Information solely to those of the Receiving Party's Affiliates and the directors, officers, employees, Agents and contractors of the Receiving Party and the Receiving Party's Affiliates, that have a need to receive such Confidential Information in order to perform the Receiving Party's obligations under this Agreement. The Receiving Party's Affiliates and the directors, officers, employees, Agents and contractors of the Receiving Party and the Receiving Party's Affiliates, shall be required by the Receiving Party to comply with the provisions of this Section 10 in the same manner as the Receiving Party. The Receiving Party shall be liable for any failure of the Receiving Party's Affiliates or the directors, officers, employees, Agents or contractors of the Receiving Party or the Receiving Party's Affiliates, to comply with the provisions of this Section 10.
- 10.3 The Receiving Party shall return or destroy all Confidential Information received from the Disclosing Party, including any copies made by the Receiving Party, within thirty (30) days after a written request by the Disclosing Party is delivered to the Receiving Party, except for (a) Confidential Information that the Receiving Party reasonably requires to perform its obligations under this Agreement, and (b) one copy for archival purposes only.
- 10.4 Unless otherwise agreed, the obligations of Sections 10.2 and 10.3 do not apply to information that:
  - 10.4.1 was, at the time of receipt, already in the possession of or known to the Receiving Party free of any obligation of confidentiality and restriction on use;
  - 10.4.2 is or becomes publicly available or known through no wrongful act of the Receiving Party, the Receiving Party's Affiliates, or the directors, officers, employees, Agents or contractors of the Receiving Party or the Receiving Party's Affiliates;
  - 10.4.3 is rightfully received from a third person having no direct or indirect obligation of confidentiality or restriction on use to the Disclosing Party with respect to such information;
  - 10.4.4 is independently developed by the Receiving Party;
  - 10.4.5 is approved for disclosure or use by written authorization of the Disclosing Party (including, but not limited to, in this Agreement); or
  - 10.4.6 is required to be disclosed by the Receiving Party pursuant to Applicable

Law, provided that the Receiving Party shall have made commercially reasonable efforts to give adequate notice of the requirement to the Disclosing Party in order to enable the Disclosing Party to seek protective arrangements.

- Notwithstanding the provisions of Sections 10.1 through 10.4, the Receiving Party may use and disclose Confidential Information received from the Disclosing Party to the extent necessary to enforce the Receiving Party's rights under this Agreement or Applicable Law. In making any such disclosure, the Receiving Party shall make reasonable efforts to preserve the confidentiality and restrict the use of the Confidential Information while it is in the possession of any person to whom it is disclosed, including, but not limited to, by requesting any governmental entity to whom the Confidential Information is disclosed to treat it as confidential and restrict its use to purposes related to the proceeding pending before it and shall provide the Disclosing Party notice in order to enable the Disclosing Party to seek protective arrangements.
- The Disclosing Party shall retain all of the Disclosing Party's right, title and interest in any Confidential Information disclosed by the Disclosing Party to the Receiving Party. Except as otherwise expressly provided in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not limited to, under any patent, trademark or copyright), nor is any such license to be implied solely by virtue of the disclosure of Confidential Information.
- 10.7 The provisions of this Section 10 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to the use, or protection of the confidentiality of, CPNI provided by Applicable Law.
- 10.8 Each Party's obligations under this Section 10 shall survive for a period of three (3) years following expiration, cancellation or termination of this Agreement.

# 11. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

## 12. Default

If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend performance under this Agreement, or (b) terminate this Agreement.

## 13. Discontinuance of Service by SHARON

13.1 If SHARON discontinues, its provision of service to all or substantially all of its Customers, whether voluntarily, as a result of bankruptcy, or for any other reason, SHARON shall send advance written notice of such discontinuance to Verizon, the Commission, and each of SHARON's Customers. SHARON shall provide such notice such number of days in advance of discontinuance of its

- service as shall be required by Applicable Law. Unless the period for advance notice of discontinuance of service required by Applicable Law is more than thirty (30) days, to the extent commercially feasible, SHARON shall send such notice at least thirty (30) days prior to its discontinuance of service.
- 13.2 Such notice must advise each SHARON Customer that unless action is taken by the SHARON Customer to switch to a different carrier prior to SHARON's proposed discontinuance of service, the SHARON Customer will be without the service provided by SHARON to the SHARON Customer.
- 13.3 Should a SHARON Customer subsequently become a Verizon Customer, SHARON shall provide Verizon with all information necessary for Verizon to establish service for the SHARON Customer, including, but not limited to, the SHARON Customer's billed name, listed name, service address, and billing address, and the services being provided to the SHARON Customer, provided that the customer has authorized release of such information.
- 13.4 Nothing in this Section 13 shall limit SHARON'S or Verizon's right to cancel or terminate this Agreement or suspend provision of Services under this Agreement.

# 14. Dispute Resolution

- 14.1 Except as otherwise provided in this Agreement, any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith negotiation between the Parties. To initiate such negotiation, a Party must provide to the other Party written notice of the dispute that includes both a detailed description of the dispute or alleged nonperformance and the name of an individual who will serve as the initiating Party's representative in the negotiation. The other Party shall have ten business days to designate its own representative in the negotiation. The Parties' representatives shall meet at least once within 45 days after the date of the initiating Party's written notice in an attempt to reach a good faith resolution of the dispute. Upon agreement, the Parties' representatives may utilize other alternative dispute resolution procedures such as private mediation to assist in the negotiations.
- 14.2 If the Parties have been unable to resolve the dispute within 45 days of the date of the initiating Party's written notice, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction.

### 15. Force Majeure

15.1 Neither Party shall be responsible for any delay or failure in performance which results from causes beyond its reasonable control ("Force Majeure Events"), whether or not foreseeable by such Party. Such Force Majeure Events include, but are not limited to, adverse weather conditions, flood, fire, explosion, earthquake, volcanic action, power failure, embargo, boycott, war, revolution, civil commotion, act of public enemies, labor unrest (including, but not limited to, strikes, work stoppages, slowdowns, picketing or boycotts), inability to obtain equipment, parts, software or repairs thereof, acts or omissions of the other Party, and acts of God.

- 15.2 If a Force Majeure Event occurs, the non-performing Party shall give prompt notification of its inability to perform to the other Party. During the period that the non-performing Party is unable to perform, the other Party shall also be excused from performance of its obligations to the extent such obligations depend upon, the performance of the non-performing Party that has been prevented by the Force Majeure Event. The non-performing Party shall use commercially reasonable efforts to avoid or remove the cause(s) of its non-performance and both Parties shall proceed to perform once the cause(s) are removed or cease.
- 15.3 Notwithstanding the provisions of Sections 15.1 and 15.2, in no case shall a Force Majeure Event excuse either Party from an obligation to pay money as required by this Agreement.
- Nothing in this Agreement shall require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate.

#### 16. Forecasts

Unless otherwise mutually agreed by the Parties, in addition to any other forecasts required by this Agreement, upon request by Verizon, SHARON shall provide to Verizon forecasts regarding the Services that SHARON expects to purchase from Verizon, including, but not limited to, forecasts regarding the types and volumes of Services that SHARON expects to purchase and the locations where such Services will be purchased.

#### 17. Fraud

SHARON assumes responsibility for all fraud associated with its Customers and accounts. Verizon shall bear no responsibility for, nor is it required to investigate or make adjustments to SHARON's account in cases of, fraud by SHARON's Customers or other third parties. Verizon assumes responsibility for all fraud associated with its Customers and accounts. SHARON shall bear no responsibility for, nor is it required to investigate or make adjustments to Verizon's account in cases of, fraud by Verizon's Customers or other third parties.

### 18. Good Faith Performance

The Parties shall act in good faith in their performance of this Agreement. Except as otherwise expressly stated in this Agreement (including, but not limited to, where consent, approval, agreement or a similar action is stated to be within a Party's sole discretion), where consent, approval, mutual agreement or a similar action is required by any provision of this Agreement, such action shall not be unreasonably withheld, conditioned or delayed.

# 19. Headings

The headings used in the Principal Document are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of the Principal Document.

## 20. Indemnification

20.1 Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other Party ("Indemnified Party"), the Indemnified Party's Affiliates, and the directors, officers and employees of the Indemnified Party and the Indemnified

Party's Affiliates, from and against any and all Claims that arise out of bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, to the extent such injury, death, damage, destruction or loss, was proximately caused by the grossly negligent (to the extent that gross negligence is recognized by applicable law) or intentionally wrongful acts or omissions of the Indemnifying Party, the Indemnifying Party's Affiliates, or the directors, officers, employees, agents or contractors of the Indemnifying Party or the Indemnifying Party's Affiliates, in connection with this Agreement.

### 20.2 Indemnification Process:

- 20.2.1 As used in this Section 20, "Indemnified Person" means a person whom an Indemnifying Party is obligated to indemnify, defend and/or hold harmless under Section 20.1.
- 20.2.2 An Indemnifying Party's obligations under Section 20.1 shall be conditioned upon the following:
- 20.2.3 The Indemnified Person: (a) shall give the Indemnifying Party notice of the Claim promptly after becoming aware thereof (including a statement of facts known to the Indemnified Person related to the Claim and an estimate of the amount thereof); (b) prior to taking any material action with respect to a Third Party Claim, shall consult with the Indemnifying Party as to the procedure to be followed in defending, settling, or compromising the Claim; (c) shall not consent to any settlement or compromise of a Third Party Claim without the written consent of the Indemnifying Party; (d) shall permit the Indemnifying Party to assume the defense of a Third Party Claim (including, except as provided below, the compromise or settlement thereof) at the Indemnifying Party's own cost and expense, provided, however, that the Indemnified Person shall have the right to approve the Indemnifying Party's choice of legal counsel.
- 20.2.4 If the Indemnified Person fails to comply with Section 20.2.3 with respect to a Claim, to the extent such failure shall have a material adverse effect upon the Indemnifying Party, the Indemnifying Party shall be relieved of its obligation to indemnify, defend and hold harmless the Indemnified Person with respect to such Claim under this Agreement.
- 20.2.5 Subject to 20.2.6 and 20.2.7, below, the Indemnifying Party shall have the authority to defend and settle any Third Party Claim.
- 20.2.6 With respect to any Third Party Claim, the Indemnified Person shall be entitled to participate with the Indemnifying Party in the defense of the Claim if the Claim requests equitable relief or other relief that could affect the rights of the Indemnified Person. In so participating, the Indemnified Person shall be entitled to employ separate counsel for the defense at the Indemnified Person's expense. The Indemnified Person shall also be entitled to participate, at its own expense, in the defense of any Claim, as to any portion of the Claim as to which it is not entitled to be indemnified, defended and held harmless by the Indemnifying Party.
- 20.2.7 In no event shall the Indemnifying Party settle a Third Party Claim or consent to any judgment with regard to a Third Party Claim without the prior written consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed. In the event the

settlement or judgment requires a contribution from or affects the rights of an Indemnified Person, the Indemnified Person shall have the right to refuse such settlement or judgment with respect to itself and, at its own cost and expense, take over the defense against the Third Party Claim, provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify or hold harmless the Indemnified Person against, the Third Party Claim for any amount in excess of such refused settlement or judgment.

- 20.2.8 The Indemnified Person shall, in all cases, assert any and all provisions in applicable Tariffs and Customer contracts that limit liability to third persons as a bar to, or limitation on, any recovery by a third-person claimant.
- 20.2.9 The Indemnifying Party and the Indemnified Person shall offer each other all reasonable cooperation and assistance in the defense of any Third Party Claim.
- 20.3 Each Party agrees that it will not implead or bring any action against the other Party, the other Party's Affiliates, or any of the directors, officers or employees of the other Party or the other Party's Affiliates, based on any claim by any person for personal injury or death that occurs in the course or scope of employment of such person by the other Party or the other Party's Affiliate and that arises out of performance of this Agreement, provided, however, that the foregoing shall not apply if and to the extent that there is an exception under Applicable Law to the statutory bar against claims by employees over and above workers' compensation benefits, and the other Party's actions fit within such exception (e.g., there is an exception for intentional torts committed against employees and the other Party has committed an intentional tort against its employee).
- 20.4 Each Party's obligations under this Section 20 shall survive expiration, cancellation or termination of this Agreement.

# 21. [Intentionally Left Blank]

### 22. Intellectual Property

- 22.1 Except as expressly stated in this Agreement, this Agreement shall not be construed as granting a license with respect to any patent, copyright, trade name, trademark, service mark, trade secret or any other intellectual property, now or hereafter owned, controlled or licensable by either Party. Except as expressly stated in this Agreement, neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right, of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.
- 22.2 Except as stated in Section 22.4, neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Affiliates or Customers based on or arising from any Third Party Claim alleging or asserting that the provision or use of any service, facility, arrangement, or software by either Party under this Agreement, or the performance of any service or method, either alone or in combination with the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third person. Each Party,

- however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.
- 22.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY EACH PARTY OF THE OTHER'S SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT.
- 22.4 SHARON agrees that the Services provided by Verizon hereunder shall be subject to the terms, conditions and restrictions contained in any applicable agreements (including, but not limited to software or other intellectual property license agreements) between Verizon and Verizon's vendors. Verizon agrees to advise SHARON, directly or through a third party, of any such terms, conditions or restrictions that may limit any SHARON use of a Service provided by Verizon that is otherwise permitted by this Agreement. At SHARON's written request, to the extent required by Applicable Law, Verizon will use Verizon's best efforts, as commercially practicable, to obtain intellectual property rights from Verizon's vendor to allow SHARON to use the Service in the same manner as Verizon that are coextensive with Verizon's intellectual property rights, on terms and conditions that are equal in quality to the terms and conditions under which Verizon has obtained Verizon's intellectual property rights. SHARON shall reimburse Verizon for the cost of obtaining such rights.

#### 23. Joint Work Product

The Principal Document is the joint work product of the Parties, has been negotiated by the Parties, and shall be fairly interpreted in accordance with its terms. In the event of any ambiguities, no inferences shall be drawn against either Party.

# 24. Law Enforcement.

- 24.1 Each Party may cooperate with law enforcement authorities and national security authorities to the full extent required or permitted by Applicable Law in matters related to Services provided by it under this Agreement, including, but not limited to, the production of records, the establishment of new lines or the installation of new services on an existing line in order to support law enforcement and/or national security operations, and, the installation of wiretaps, trap-and-trace facilities and equipment, and dialed number recording facilities and equipment.
- A Party shall not have the obligation to inform the other Party or the Customers of the other Party of actions taken in cooperating with law enforcement or national security authorities, except to the extent required by Applicable Law.
- 24.3 Where a law enforcement or national security request relates to the establishment of lines (including, but not limited to, lines established to support interception of communications on other lines), or the installation of other services, facilities or arrangements, a Party may act to prevent the other Party from obtaining access to information concerning such lines, services, facilities and arrangements, through operations support system interfaces.

# 25. Liability

- 25.1 As used in this Section 25, "Service Failure" means a failure to comply with a direction to install, restore or terminate Services under this Agreement, a failure to provide Services under this Agreement, and failures, mistakes, omissions, interruptions, delays, errors, defects or the like, occurring in the course of the provision of any Services under this Agreement.
- 25.2 Except as otherwise stated in Section 25.5, the liability, if any, of a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, to the other Party, the other Party's Customers, and to any other person, for Claims arising out of a Service Failure shall not exceed an amount equal to the pro rata applicable monthly charge for the Services that are subject to the Service Failure for the period in which such Service Failure occurs.
- 25.3 Except as otherwise stated in Section 25.5, a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, shall not be liable to the other Party, the other Party's Customers, or to any other person, in connection with this Agreement (including, but not limited to, in connection with a Service Failure or any breach, delay or failure in performance, or forecast requirement, of this Agreement) for special, indirect, incidental, consequential, reliance, exemplary, punitive, or like damages, including, but not limited to, damages for lost revenues, profits or savings, or other commercial or economic loss, even if the person whose liability is excluded by this Section has been advised of the possibility of such damages.
- 25.4 The limitations and exclusions of liability stated in Sections 25.1 through 25.3 shall apply regardless of the form of a claim or action, whether statutory, in contract, warranty, strict liability, tort (including, but not limited to, negligence of a Party), or otherwise.
- 25.5 Nothing contained in Sections 25.1 through 25.4 shall exclude or limit liability:
  - 25.5.1 under Sections 20, Indemnification or 41, Taxes.
  - 25.5.2 for any obligation to indemnify, defend and/or hold harmless that a Party may have under this Agreement.
  - 25.5.3 for damages arising out of or resulting from bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, or Toxic or Hazardous Substances, to the extent such damages are otherwise recoverable under Applicable Law:
  - 25.5.4 for a claim for infringement of any patent, copyright, trade name, trade mark, service mark, or other intellectual property interest;
  - 25.5.5 under Section 258 of the Act or any order of FCC or the Commission implementing Section 258; or
  - 25.5.6 for a Party's willful or intentional misconduct.
- 25.6 In the event that the liability of a Party, a Party's Affiliate, or a director, officer or employee of a Party or a Party's Affiliate, is limited and/or excluded under both this Section 25 and a provision of an applicable Tariff, the liability of the Party or other person shall be limited to the smaller of the amounts for which such Party or other person would be liable under this Section or the Tariff provision.

25.7 Each Party shall, in its tariffs and other contracts with its Customers, provide that in no case shall the other Party, the other Party's Affiliates, or the directors, officers or employees of the other Party or the other Party's Affiliates, be liable to such Customers or other third-persons for any special, indirect, incidental, consequential, reliance, exemplary, punitive or other damages, arising out of a Service Failure.

### 26. Network Management

- 26.1 <u>Cooperation</u>. The Parties will work cooperatively in a commercially reasonable manner to install and maintain a reliable network. SHARON and Verizon will exchange appropriate information (e.g., network information, maintenance contact numbers, escalation procedures, and information required to comply with requirements of law enforcement and national security agencies) to achieve this desired reliability. In addition, the Parties will work cooperatively in a commercially reasonable manner to apply sound network management principles to alleviate or to prevent traffic congestion and to minimize fraud associated with third number billed calls, calling card calls, and other services related to this Agreement.
- 26.2 Responsibility for Following Standards. Each Party recognizes a responsibility to follow the standards that may be agreed to between the Parties and to employ characteristics and methods of operation that will not interfere with or impair the service, network or facilities of the other Party or any third parties connected with or involved directly in the network or facilities of the other.
- 26.3 Interference or Impairment. If a Party ("Impaired Party") reasonably determines that the services, network, facilities, or methods of operation, of the other Party ("Interfering Party") will or are likely to interfere with or impair the Impaired Party's provision of services or the operation of the Impaired Party's network or facilities, the Impaired Party may interrupt or suspend any Service provided to the Interfering Party to the extent necessary to prevent such interference or impairment, subject to the following:
  - 26.3.1 Except in emergency situations (e.g., situations involving a risk of bodily injury to persons or damage to tangible property, or an interruption in Customer service) or as otherwise provided in this Agreement, the Impaired Party shall have given the Interfering Party at least ten (10) business days' prior written notice of the interference or impairment or potential interference or impairment and the need to correct the condition within said time period; and,
  - 26.3.2 Upon correction of the interference or impairment, the Impaired Party will promptly restore the interrupted or suspended Service. The Impaired Party shall not be obligated to provide an out-of-service credit allowance or other compensation to the Interfering Party in connection with the suspended Service.
- 26.4 <u>Outage Repair Standard.</u> In the event of an outage or trouble in any Service being provided by a Party hereunder, the providing Party will follow Verizon's standard procedures for isolating and clearing the outage or trouble.

#### 27. Non-Exclusive Remedies

Except as otherwise expressly provided in this Agreement, each of the remedies

provided under this Agreement is cumulative and is in addition to any other remedies that may be available under this Agreement or at law or in equity.

# 28. Notice of Network Changes

If a Party makes a change in the information necessary for the transmission and routing of services using that Party's facilities or network, or any other change in its facilities or network that will materially affect the interoperability of its facilities or network with the other Party's facilities or network, the Party making the change shall publish notice of the change at least ninety (90) days in advance of such change, and shall use reasonable efforts, as commercially practicable, to publish such notice at least one hundred eighty (180) days in advance of the change; provided, however, that if an earlier publication of notice of a change is required by Applicable Law (including, but not limited to, 47 CFR 51.325 through 51. 335) notice shall be given at the time required by Applicable Law.

#### 29. Notices

- 29.1 Except as otherwise provided in this Agreement, notices given by one Party to the other Party under this Agreement:
  - 29.1.1 shall be in writing;
  - 29.1.2 shall be delivered (a) personally, (b) by express delivery service with next business day delivery, (c) by First Class, certified or registered U.S. mail, postage prepaid, (d) by facsimile telecopy, with a copy delivered in accordance with (a), (b) or (c), preceding, or, (e) by electronic mail, with a copy delivered in accordance with (a), (b) or (c), preceding; and
  - 29.1.3 shall be delivered to the following addresses of the Parties:

### To SHARON:

Attention: President -Sharon Telephone Company 105 Plain Street Sharon, WI 53585 Telephone Number: 262-736-9981 Facsimile Number: 262-736-9200

Internet Address: (E-mail)

### With a copy to:

Axley Brynelson, LLP Attn: Judd A. Genda 2 East Mifflin Street (53703) Post Office Box 1767 Madison, WI 53701

Telephone Number: 608-257-5661 Facsimile Number: 608-257-5444 Internet Address: jgenda@axley.com

To Verizon:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving. TX 75038

Telephone Number: 972-718-5988 Facsimile Number: 972-719-1519

Internet Address: wmnotices@verizon.com

## with a copy to:

Vice President and Associate General Counsel Verizon Wholesale Markets 1515 North Court House Road Suite 500 Arlington, VA 22201

Facsimile: 703/351-3664

or to such other address as either Party shall designate by proper notice.

Notices will be deemed given as of the earlier of (a) where there is personal delivery of the notice, the date of actual receipt, (b) where the notice is sent via express delivery service for next business day delivery, the next business day after the notice is sent, (c) where the notice is sent by First Class U.S. Mail, three (3) business days after mailing, (d) where notice is sent via certified or registered U.S. mail, the date of receipt shown on the Postal Service receipt, (e) where the notice is sent via facsimile telecopy, on the date set forth on the telecopy confirmation if sent before 5 PM in the time zone where it is received, or the next business day after the date set forth on the telecopy confirmation if sent via electronic mail, on the date of transmission, if sent before 5 PM in the time zone where it is received, or the next business day after the date of transmission, if sent after 5 PM in the time zone where it is received.

### 30. Ordering and Maintenance

The Parties agree to utilize industry standard forms and processes to effect the transfer of customers from one Party to the other Party, and to accomplish such transfer in such a manner as to minimize inconvenience to the Customer. SHARON shall use Verizon's electronic Operations Support System access platforms (<a href="www.gte.com/wise">www.gte.com/wise</a>) to submit Orders and requests for maintenance and repair of Services, and to engage in other preordering, ordering, provisioning, maintenance and repair transactions. If Verizon has not yet deployed an electronic capability for SHARON to perform a pre-ordering, ordering, provisioning, maintenance or repair, transaction offered by Verizon, SHARON shall use such other processes as Verizon has made available for performing such transaction (including, but not limited, to submission of Orders by telephonic facsimile transmission and placing trouble reports by voice telephone transmission).

### 31. Performance Standards

- 31.1 Verizon shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law.
- 31.2 As applicable to this Agreement, and to the extent required by Appendix D, Section V, "Carrier-to-Carrier Performance Plan (Including Performance Measurements)," and Appendix D, Attachment A, "Carrier-to-Carrier

- Performance Assurance Plan," of the Merger Order, Verizon shall provide performance measurement results to SHARON.
- 31.3 SHARON shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law.

### 32. Point of Contact for SHARON Customers

- 32.1 SHARON shall establish telephone numbers and mailing addresses at which SHARON Customers may communicate with SHARON and shall advise SHARON Customers of these telephone numbers and mailing addresses.
- 32.2 Except as otherwise agreed to by Verizon, Verizon shall have no obligation, and may decline, to accept a communication from a SHARON customer, including, but not limited to, a SHARON Customer request for repair or maintenance of a Verizon Service provided to SHARON.

# 33. Predecessor Agreements

- 33.1 Except as stated in Section 33.2 or as otherwise agreed in writing by the Parties:
  - 33.1.1 any prior interconnection agreement between the Parties for the State of Wisconsin pursuant to Section 252 of the Act and in effect immediately prior to the Effective Date is hereby terminated; and
  - 33.1.2 any Services that were purchased by one Party from the other Party under a prior interconnection agreement between the Parties for the State of Wisconsin pursuant to Section 252 of the Act and in effect immediately prior to the Effective Date, shall as of the Effective Date be subject to and purchased under this Agreement.
- 23.2 Except as otherwise agreed in writing by the Parties, if a Service purchased by a Party under a prior interconnection agreement between the Parties pursuant to Section 252 of the Act was subject to a contractual commitment that it would be purchased for a period of longer than one month, and such period had not yet expired as of the Effective Date and the Service had not been terminated prior to the Effective Date, to the extent not inconsistent with this Agreement, such commitment shall remain in effect and the Service will be purchased under this Agreement; provided, that if this Agreement would materially alter the terms of the commitment, either Party may elect to cancel the commitment.
- 33.3 If either Party elects to cancel the commitment pursuant to the proviso in Section 33.2, the Purchasing Party shall not be liable for any termination charge that would otherwise have applied. However, if the commitment was cancelled by the Purchasing Party, the Providing Party shall be entitled to payment from the Purchasing Party of the difference between the price of the Service that was actually paid by the Purchasing Party under the commitment and the price of the Service that would have applied if the commitment had been to purchase the Service only until the time that the commitment was cancelled.

# 34. Publicity and Use of Trademarks or Service Marks

A Party, its Affiliates, and their respective contractors and Agents, shall not use the other Party's trademarks, service marks, logos or other proprietary trade dress, in connection with the sale of products or services, or in any advertising,

- press releases, publicity matters or other promotional materials, unless the other Party has given its written consent for such use, which consent the other Party may grant or withhold in its sole discretion.
- 34.2 Neither Party may imply any direct or indirect affiliation with or sponsorship or endorsement of it or its services or products by the other Party.
- Any violation of this Section 34 shall be considered a material breach of this Agreement.

### 35. References

- 35.1 All references to Sections, Appendices and Exhibits shall be deemed to be references to Sections, Appendices and Exhibits of this Agreement unless the context shall otherwise require.
- Unless the context shall otherwise require, any reference to a Tariff, agreement, technical or other document (including Verizon or third party guides, practices or handbooks), or provision of Applicable Law, is to such Tariff, agreement, document, or provision of Applicable Law, as amended and supplemented from time to time (and, in the case of a Tariff or provision of Applicable Law, to any successor Tariff or provision).

## 36. Relationship of the Parties

- The relationship of the Parties under this Agreement shall be that of independent contractors and nothing herein shall be construed as creating any other relationship between the Parties.
- 36.2 Nothing contained in this Agreement shall make either Party the employee of the other, create a partnership, joint venture, or other similar relationship between the Parties, or grant to either Party a franchise, distributorship or similar interest.
- 26.3 Except for provisions herein expressly authorizing a Party to act for another Party, nothing in this Agreement shall constitute a Party as a legal representative or Agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against, in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party in writing, which permission may be granted or withheld by the other Party in its sole discretion.
- 36.4 Each Party shall have sole authority and responsibility to hire, fire, compensate, supervise, and otherwise control its employees, Agents and contractors. Each Party shall be solely responsible for payment of any Social Security or other taxes that it is required by Applicable Law to pay in conjunction with its employees, Agents and contractors, and for withholding and remitting to the applicable taxing authorities any taxes that it is required by Applicable Law to collect from its employees.
- 36.5 Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.
- 36.6 The relationship of the Parties under this Agreement is a non-exclusive relationship.

# 37. Reservation of Rights

- 37.1 Notwithstanding anything to the contrary in this Agreement, neither Party waives, and each Party hereby expressly reserves, its rights: (a) to appeal or otherwise seek the reversal of and changes in any arbitration decision associated with this Agreement; (b) to challenge the lawfulness of this Agreement and any provision of this Agreement; (c) to seek changes in this Agreement (including, but not limited to, changes in rates, charges and the Services that must be offered) through changes in Applicable Law; and, (d) to challenge the lawfulness and propriety of, and to seek to change, any Applicable Law, including, but not limited to any rule, regulation, order or decision of the Commission, the FCC, or a court of applicable jurisdiction. Nothing in this Agreement shall be deemed to limit or prejudice any position a Party has taken or may take before the Commission, the FCC, any other state or federal regulatory or legislative bodies, courts of applicable jurisdiction, or industry forum. The provisions of this Section shall survive the expiration, cancellation or termination of this Agreement.
- 37.2 SHARON acknowledges SHARON has been advised by Verizon that it is Verizon's position that:
  - 37.2.1 This Agreement contains certain provisions which are intended to reflect Applicable Law and Commission and/or FCC arbitration decisions; and
  - 37.2.2 For the purposes of Appendix D, Sections 31 and 32, of the Merger Order, such provisions shall not be deemed to have been voluntarily negotiated or agreed to by Verizon and shall not be available to carriers pursuant to Appendix D, Sections 31 and 32 of the Merger Order.
- 37.3 Verizon acknowledges Verizon has been advised by SHARON that it is SHARON's position that:
  - 37.3.1 This Agreement contains certain provisions which are intended to reflect Applicable Law and Commission and/or FCC arbitration decisions.

#### 38. Subcontractors

A Party may use a contractor of the Party (including, but not limited to, an Affiliate of the Party) to perform the Party's obligations under this Agreement; provided, that a Party's use of a contractor shall not release the Party from any duty or liability to fulfill the Party's obligations under this Agreement.

# 39. Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

## 40. Survival

The rights, liabilities and obligations of a Party for acts or omissions occurring prior to the expiration, cancellation or termination of this Agreement, the rights, liabilities and obligations of a Party under any provision of this Agreement regarding confidential information (including but not limited to, Section 10), indemnification or defense (including, but not limited to, Section 20), or limitation or exclusion of liability (including, but not limited to, Section 25), and the rights, liabilities and obligations of a Party under any provision of this Agreement which by its terms or nature is intended to continue

beyond or to be performed after the expiration, cancellation or termination of this Agreement, shall survive the expiration, cancellation or termination of this Agreement.

## 41. Taxes

- 41.1 In General. With respect to any purchase hereunder of Services, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required by Applicable Law to be collected from the purchasing Party by the providing Party, then (a) the providing Party shall properly bill the purchasing Party for such Tax, (b) the purchasing Party shall timely remit such Tax to the providing Party and (c) the providing Party shall timely remit such collected Tax to the applicable taxing authority.
- 41.2 Taxes Imposed on the Providing Party. With respect to any purchase hereunder of Services, if any federal, state or local Tax is imposed by Applicable Law on the receipts of the providing Party, and such Applicable Law permits the providing Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company ("Telecommunications Company"), such exclusion being based solely on the fact that the purchasing Party is also subject to a tax based upon receipts ("Receipts Tax"), then the purchasing Party (a) shall provide the providing Party with notice in writing in accordance with Section 41.6 of this Agreement of its intent to pay the Receipts Tax and (b) shall timely pay the Receipts Tax to the applicable tax authority.
- 41.3 Taxes Imposed on Customers. With respect to any purchase hereunder of Services that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then the purchasing Party (a) shall be required to impose and/or collect such Tax from the Subscriber and (b) shall timely remit such Tax to the applicable taxing authority.
- 41.4 Liability for Uncollected Tax, Interest and Penalty. If the providing Party has not received an exemption certificate and fails to collect any Tax as required by Section 41.1, then, as between the providing Party and the purchasing Party, (a) the purchasing Party shall remain liable for such uncollected Tax and (b) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. If the providing Party properly bills the purchasing Party for any Tax but the purchasing Party fails to remit such Tax to the providing Party as required by Section 41.1, then. as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by Section 41.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the purchasing Party fails to pay the Receipts Tax as required by Section 41.2, then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing

Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by Section 41.3. then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, or is required to impose on and/or collect from Subscribers. the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

- 41.5 Tax exemptions and Exemption Certificates. If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Applicable Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Section 41.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (a) furnishes the providing Party with a letter signed by an officer requesting such an exemption and citing the provision in the Applicable Law which clearly allows such exemption and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax Verizon with respect to its forbearing to collect such Tax.
- 41.6 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this Section 41, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Section 29 as well as to the following:

To Verizon:

Tax Administration Verizon Communications 1095 Avenue of the Americas Room 3109 New York, NY 10036 To SHARON: President- Sharon Telephone Company 105 Plain Street Sharon, WI 53585

With a copy to:

Axley Brynelson, LLP Attn: Judd A. Genda 2 East Mifflin Street (53703) Post Office Box 1767 Madison, WI 53701

Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this Section. Any notice or other communication shall be deemed to be given when received.

# 42. Technology Upgrades

Notwithstanding any other provision of this Agreement, each Party shall have the right to deploy, upgrade, migrate and maintain its network at its discretion. The Parties acknowledge that either Party, at its election, may deploy fiber throughout its network and that such fiber deployment may inhibit or facilitate the other Party's ability to provide service using certain technologies. Nothing in this Agreement shall limit either Party's ability to modify its network through the incorporation of new equipment or software or otherwise. Each Party shall be solely responsible for the cost and activities associated with accommodating such changes in its own network.

# 43. Territory

- 43.1 This Agreement applies to the territory in which Verizon operates as an Incumbent Local Exchange Carrier in the State of Wisconsin. Verizon shall be obligated to provide Services under this Agreement only within this territory.
- 43.2 Notwithstanding any other provision of this Agreement, Verizon may terminate this Agreement as to a specific operating territory or portion thereof if Verizon sells or otherwise transfers its operations in such territory or portion thereof to a third-person. Verizon shall provide SHARON with at least 90 calendar days prior written notice of such termination, which shall be effective upon the later of (i) the date specified in the notice, or (ii) the Commission's approval of such sale or transfer of Verizon's operations.

# 44. Third Party Beneficiaries

Except as expressly set forth in this Agreement, this Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein shall create or be construed to provide any third-persons (including, but not limited to, Customers or contractors of a Party) with any rights (including, but not limited to, any third-party beneficiary rights) hereunder. Except as expressly set forth in this Agreement, a Party shall have no liability under this Agreement to the Customers of the other Party or to any other third person.

# 45. [Intentionally Left Blank]

# 46. 252(i) Obligations

- To the extent required by Applicable Law, each Party shall comply with the respective rights and obligations imposed upon it pursuant to Section 252(i) of the Act and Appendix D, Sections 30 through 32, of the Merger Order ("Merger Order MFN Provisions").
- 46.2 To the extent that the exercise by SHARON of any rights it may have under Section 252(i) or the Merger Order MFN Provisions results in the rearrangement of Services by Verizon, SHARON shall be solely liable for all costs associated therewith, as well as for any termination charges associated with the termination of existing Verizon Services.

### 47. Use of Service

To the extent services are purchased, each Party shall make commercially reasonable efforts to ensure that its Customers comply with the provisions of this Agreement (including, but not limited to the provisions of applicable Tariffs) applicable to the use of Services purchased by it under this Agreement.

#### 48. Waiver

A failure or delay of either Party to enforce any of the provisions of this Agreement, or any right or remedy available under this Agreement or at law or in equity, or to require performance of any of the provisions of this Agreement, or to exercise any option which is provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies or options.

#### 49. Warranties

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NEITHER PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES PROVIDED, OR TO BE PROVIDED, UNDER THIS AGREEMENT AND THE PARTIES DISCLAIM ANY OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE WARRANTIES AGAINST INFRINGEMENT, AND WARRANTIES ARISING BY TRADE CUSTOM, TRADE USAGE, COURSE OF DEALING OR PERFORMANCE, OR OTHERWISE.

#### 50. Withdrawal of Services

Notwithstanding anything contained in this Agreement, except as otherwise required by Applicable Law, Verizon may with thirty (30) days prior written notice to SHARON terminate any provision of this Agreement that provides for the payment by Verizon to SHARON of compensation related to traffic, including, but not limited to, Reciprocal Compensation and other types of compensation for termination of traffic delivered by Verizon to SHARON. Following such termination, except as otherwise agreed in writing by the Parties, Verizon shall be obligated to provide compensation to SHARON related to traffic only to the extent required by Applicable Law. If Verizon exercises its right of termination under this Section, the Parties shall negotiate in good faith appropriate substitute provisions for compensation related to traffic; provided, however, that except as otherwise voluntarily agreed by Verizon in writing in its sole discretion, Verizon shall be obligated to provide compensation to SHARON related to traffic only to the extent required by Applicable Law. If within thirty (30) days after Verizon's

notice of termination the Parties are unable to agree in writing upon mutually acceptable substitute provisions for compensation related to traffic, either Party may submit their disagreement to dispute resolution in accordance with Section 14 of this Agreement.

# SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

Sharon Telephone Company	Verizon North Inc.
Ву:	Ву:
Printed:	Printed: Jeffrey A. Masoner
Title:	Title: VP-Interconnection Services

#### **GLOSSARY**

#### 1. General Rule

- 1.1 The provisions of Sections 1.1 through 1.4 and Section 2 apply with regard to the Principal Document. Terms used in a Tariff shall have the meanings stated in the Tariff.
- 1.2 Unless the context clearly indicates otherwise, when used in the Principal Document the terms listed in this Glossary shall have the meanings stated in this Glossary. A defined term intended to convey the meaning stated in this Glossary is capitalized when used. Other terms that are capitalized, and not defined in this Glossary or elsewhere in the Principal Document, shall have the meaning stated in the Act. Additional definitions that are specific to the matters covered in a particular provision of the Principal Document may appear in that provision. To the extent that there may be any conflict between a definition set forth on this Glossary and any definition in a specific provision, the definition set forth in the specific provision shall control with respect to that provision.
- 1.3 Unless the context clearly indicates otherwise, any term defined in this Glossary which is defined or used in the singular shall include the plural, and any term defined in this Glossary which is defined or used in the plural shall include the singular.
- 1.4 The words "shall" and "will" are used interchangeably throughout the Principal Document and the use of either indicates a mandatory requirement. The use of one or the other shall not confer a different degree of right or obligation for either Party.

# 2. **Definitions**

# 2.1 Act.

The Communications Act of 1934 (47 U.S.C. §151 et. seq.), as from time to time amended (including, without limitation by the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996), and as further interpreted in the duly authorized and effective rules and regulations of the FCC or the Commission.

- 2.2 [Intentionally Left Blank].
- 2.3 Affiliate.

Shall have the meaning set forth in the Act.

2.4 Agent.

An agent or servant.

2.5 Agreement.

This Agreement, as defined in Section 1 of the General Terms and Conditions.

2.6 <u>Automated Message Accounting (AMA)</u>.

The structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Telcordia Technologies as GR-1100-CORE that defines the industry standard for message recording.

### 2.7 Ancillary Traffic.

All traffic that is destined for ancillary services, or that may have special billing requirements, including but not limited to the following: Directory Assistance, 911/E911, Operator Services (IntraLATA call completion), IntraLATA third party, collect and calling card, 800/888 database query, LIDB, and information services requiring special billing.

# 2.8 Automatic Number Identification (ANI).

The signaling parameter which refers to the number transmitted through the network identifying the billing number of the calling Party.

### 2.9 Answer Supervision.

An off-hook supervisory signal.

### 2.10 Applicable Law.

All effective laws, government regulations and orders, applicable to each Party's performance of its obligations under this agreement.

### 2.11 ASR (Access Service Request).

An industry standard form, which contains data elements and usage rules used by the Parties to add, establish, change or disconnect services or trunks for the purposes of interconnection.

# 2.12 Basic Local Exchange Service.

Voice grade access to the network that provides: the ability to place and receive calls; touch-tone service, access to operator services; access to directory assistance; access to emergency services (E911); access to telephone relay service (TRS); access to Interexchange Carriers of the Customer's choice; standard white pages directory listing; and toll blocking for low-income consumers participating in Lifeline (subject to technical feasibility).

### 2.13 [Intentionally Left Blank].

#### 2.14 Business Day.

Monday through Friday, except for holidays on which the U.S. mail is not delivered.

# 2.15 <u>Calendar Quarter</u>.

January through March, April through June, July through September, or October through December.

## 2.16 Calendar Year.

January through December.

# 2.17 CCS (Common Channel Signaling).

A method of transmitting call set-up and network control data over a digital signaling network separate from the public switched telephone network facilities that carry the actual voice or data content of the call.

### 2.18 Central Office.

A local switching system for connecting lines to lines, lines to trunks, or trunks to trunks for the purpose of originating/terminating calls over the public switched telephone network. A single Central Office may handle several Central Office codes ("NXX"). Sometimes this term is used to refer to a telephone company building in which switching systems and telephone equipment are installed.

## 2.19 Central Office Switch.

A switch used to provide Telecommunications Services including but not limited to an End Office Switch or a Tandem Switch. A Central Office Switch may also be employed as combination End Office/Tandem Office Switch.

# 2.20 Claims.

Any and all claims, demands, suits, actions, settlements, judgments, fines, penalties, liabilities, injuries, damages, losses, costs (including, but not limited to, court costs), and expenses (including, but not limited to, reasonable attorney's fees).

### 2.21 CLEC (Competitive Local Exchange Carrier).

Any corporation or other person legally able to provide Local Exchange Service in competition with an ILEC.

# 2.22 CLLI Codes.

Common Language Location Identifier Codes.

# 2.23 <u>Centralized Message Distribution System (CMDS).</u>

The billing record and clearing house transport system that ILECs use to efficiently exchange out collects and in collects as well as Carrier Access Billing System (CABS) records.

### 2.24 Commission.

Wisconsin Public Service Commission

# 2.25 Conversation Time.

The time that both Parties' equipment is used for a completed call measured from the receipt of Answer Supervision to the receipt of Disconnect Supervision.

### 2.26 Calling Party Number (CPN).

A CCS parameter that identifies the calling party's telephone number.

# 2.27 CPNI (Customer Proprietary Network Information).

Shall have the meaning set forth in Section 222 of the Act, 47 U.S.C. § 222.

# 2.28 [Intentionally Left Blank].

#### 2.29 Customer.

A third party residence or business end-user subscriber to Telephone Exchange Services provided by either of the Parties.

# 2.30 Effective Date.

June 14, 2001.

## 2.31 EMI (Exchange Message Interface).

Standard used for the interexchange of telecommunications message information between exchange carriers and interexchange carriers for billable, non-billable, sample, settlement and study data. Data is provided between companies via a unique record layout that contains Customer billing information, account summary and tracking analysis. EMI format is contained in document SR-320 published by the Alliance for Telcom Industry Solutions.

# 2.32 End Office Switch or End Office.

A switching entity that is used to terminate Customer station Loops for the purpose of interconnection to each other and to trunks.

# 2.33 Entrance Facility.

The facility between a Party's designated premises and the Central Office serving that designated premises.

### 2.34 Exchange Access.

Shall have the meaning set forth in the Act.

# 2.35 Extended Local Calling Scope Arrangement.

An arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area. As and to the extent required by the Public Service Commission of Wisconsin, Extended Community Calling (ECC) Traffic, as defined by the Commission in Docket 05-TI-119, shall be considered non-optional EAS Traffic for purposes of this Agreement.

# 2.36 FCC.

The Federal Communications Commission.

# 2.37 FCC Internet Order.

Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001).

# 2.38 FCC Regulations.

The regulations duly and lawfully promulgated by the FCC, as in effect from time to time.

- 2.39 [Intentionally Left Blank].
- 2.40 [Intentionally Left Blank].
- 2.41 ILEC (Incumbent Local Exchange Carrier).

Shall have the meaning stated in the Act.

- 2.42 [Intentionally Left Blank].
- 2.43 Internet Traffic.

Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.

# 2.44 InterLATA Service.

Shall have the meaning set forth in the Act.

### 2.45 IntraLATA.

Telecommunications services that originate and terminate at a point within the same LATA.

### 2.46 IP (Interconnection Point).

For Reciprocal Compensation Traffic, the point at which a Party who receives Reciprocal Compensation Traffic from the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Reciprocal Compensation Traffic.

- 2.47 [Intentionally Left Blank].
- 2.48 [Intentionally Left Blank].
- 2.49 IXC (Interexchange Carrier).

A Telecommunications Carrier that provides, directly or indirectly, InterLATA or intraLATA Telephone Toll Services.

2.50 LATA (Local Access and Transport Area).

Shall have the meaning set forth in the Act.

# 2.51 LEC (Local Exchange Carrier).

Shall have the meaning set forth in the Act.

# 2.52 LERG (Local Exchange Routing Guide).

The Telcordia Technologies reference customarily used to identify NPANXX routing and homing information, as well as network element and equipment designation.

## 2.53 LIDB (Line Information Data Base).

One or all, as the context may require, of the Line Information databases owned individually by Verizon and other entities which provide, among other things, calling card validation functionality for telephone line number cards issued by Verizon and other entities. A LIDB also contains validation data for collect and third number-billed calls; i.e., Billed Number Screening.

- 2.54 [Intentionally Left Blank].
- 2.55 [Intentionally Left Blank].
- 2.56 [Intentionally Left Blank].
- 2.57 [Intentionally Left Blank].
- 2.58 Measured Internet Traffic..

Dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined by Verizon. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include an optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.

# 2.59 MECAB (Multiple Exchange Carrier Access Billing).

Document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Telcordia Technologies as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an Exchange Access Service provided by two or more LECs, or by one LEC in two or more states within a single LATA.

# 2.60 <u>MECOD (Multiple Exchange Carriers Ordering and Design Guidelines for Access</u> Services - Industry Support Interface).

A document developed by the Ordering/Provisioning Committee under the

auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Telcordia Technologies as Special Report SR-STS-002643, establishes methods for processing orders for Exchange Access Service that is to be provided by two or more LECs.

## 2.61 Merger Order

The FCC's ORDER "In re Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer of Control of Domestic and International Section 214 and 310 Authorizations and Application to Transfer of a Submarine Cable Landing License", Memorandum Opinion and Order, FCC CC Docket No. 98-184, FCC 00-221 (June 16, 2000), as modified from time to time.

## 2.62 NANP (North American Numbering Plan).

The system of telephone numbering employed in the United States, Canada, Bermuda, Puerto Rico and certain Caribbean islands. The NANP format is a 10-digit number that consist of a 3-digit NPA Code (commonly referred to as area code), followed by a 3-digit NXX code and 4 digit line number.

- 2.63 [Intentionally Left Blank].
- 2.64 [Intentionally Left Blank].
- 2.65 NPA (Numbering Plan Area).

Also sometimes referred to as an area code, is the first three-digit indicator of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized Telecommunications Service that may be provided across multiple geographic NPA areas. 500, 700, 800, 888 and 900 are examples of Non-Geographic NPAs.

#### 2.66 NXX, NXX Code, Central Office Code or CO Code.

The three-digit switch entity indicator (i.e. the first three digits of a seven-digit telephone number). Each NXX Code contains 10,000 station numbers.

#### 2.67 Order.

An order or application to provide, change or terminate a Service (including, but not limited to, a commitment to purchase a stated number or minimum number of lines or other Services for a stated period or minimum period of time).

## 2.68 POI (Point of Interconnection).

The physical location where the originating Party's facilities physically interconnect with the terminating Party's facilities for the purpose of exchanging

traffic.

# 2.69 [Intentionally Left Blank].

#### 2.70 Principal Document.

This document, including, but not limited to, the Title Page, the Table of Contents, the Preface, the General Terms and Conditions, the signature page, this Glossary, the Attachments, and the Appendices to the Attachments.

## 2.71 Providing Party.

A Party offering or providing a Service to the other Party under this Agreement.

#### 2.72 Purchasing Party.

A Party requesting or receiving a Service from the other Party under this Agreement.

#### 2.73 Rate Center Area or Exchange Area.

The geographic area that has been identified by a given LEC as being associated with a particular NPA-NXX code assigned to the LEC for its provision of Telephone Exchange Services. The Rate Center Area is the exclusive geographic area that the LEC has identified as the area within which it will provide Telephone Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center Area.

#### 2.74 Rate Center Point.

A specific geographic point, defined by a V&H coordinate, located within the Rate Center Area and used to measure distance for the purpose of billing customers for distance-sensitive Telephone Exchange Services and Toll Traffic.

## 2.75 Rate Demarcation Point.

The physical point in a Verizon provided network facility at which Verizon's responsibility for maintaining that network facility ends and the Customer's responsibility for maintaining the remainder of the facility begins, as set forth in Verizon's applicable Tariffs, if any, or as otherwise prescribed under Applicable Law.

#### 2.76 Reciprocal Compensation.

The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Section 7 of the Interconnection Attachment).

# 2.77 <u>Reciprocal Compensation Traffic.</u>

Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate

Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined by Verizon. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic (pursuant to the FCC Internet Order); (2) traffic that does not originate or terminate within the same Verizon local calling area as defined by Verizon; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Scope Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.

#### 2.78 Routing Point.

A specific geographic point identified by a specific V&H coordinate. The Routing Point is used to route inbound traffic to specified NAP-NXXs and the Rate Center Point is used to calculate mileage measurements for distance-sensitive transport charges of switched access services. Pursuant to Telecordia Practice BR-795-100-100, the Rate Center Point may be an End Office location, or a "LEC Consortium Point Of Interconnection." The Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, the Routing Point associated with each NPA-NXX need not be the same as the corresponding Rate Center Point, nor must it be located within the corresponding Rate Center Area, nor must there be a unique and separate Routing Point corresponding to each unique and separate Rate Center Area.

# 2.79 Service.

Any Interconnection arrangement, exclusive of Reciprocal Compensation Traffic, and Measured Internet Traffic, offered by a Party under this Agreement.

# 2.80 Signaling Point (SP).

A node in the CCS network that originates and/or receives signaling messages, or transfers signaling messages from one signaling link to another, or both.

## 2.81 SS7 (Signaling System 7).

The common channel out-of-band signaling protocol developed by the Consultative Committee for International Telephone and Telegraph (CCITT) and the American National Standards Institute (ANSI).

# 2.82 Subsidiary.

A corporation or other legal entity that is controlled by a Party.

# 2.83 <u>Switched Exchange Access Service</u>.

The offering of transmission and switching services for the purpose of the origination or termination of Toll Traffic. Switched Exchange Access Services

include but may not be limited to: Feature Group A, Feature Group B, Feature Group D, 700 access, 800 access, 888 access and 900 access.

#### 2.84 Tandem Switches.

A switching entity that has billing and recording capabilities and is used to connect and switch trunk circuits between and among End Office Switches and between and among End Office Switches and carriers' aggregation points, points of termination, or point of presence, and to provide Switched Exchange Access Services.

#### 2.85 Tariff.

- 2.85.1 Any applicable Federal or state tariff of a Party, as amended from timeto-time;
- 2.85.2 Any standard agreement or other document, as amended from time-totime, that sets forth the generally available terms, conditions and prices under which a Party offers a Service.

The term "Tariff" does not include any Verizon statement of generally available terms (SGAT) which has been approved or is pending approval by the Commission pursuant to Section 252(f) of the Act.

# 2.86 <u>Telcordia Technologies</u>.

Formerly known as Bell Communications Research, a wholly owned subsidiary of Science Applications International Corporation (SAIC). The organization conducts research and development projects for its owners, including development of new Telecommunications Services. Telcordia Technologies also provides generic requirements for the telecommunications industry for products, services and technologies.

#### 2.87 Telecommunications Carrier.

Shall have the meaning set forth in the Act.

#### 2.88 Telecommunications Services.

Shall have the meaning set forth in the Act.

# 2.89 <u>Telephone Exchange Service</u>.

Shall have the meaning set forth in the Act.

#### 2.90 Third Party Claim.

A Claim where there is (a) a claim, demand, suit or action by a person who is not a Party, (b) a settlement with, judgment by, or liability to, a person who is not a Party, or (c) a fine or penalty imposed by a person who is not a Party.

# 2.91 Toll Traffic.

Traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network and is

not Reciprocal Compensation Traffic, Measured Internet Traffic, or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic", depending on whether the originating and terminating points are within the same LATA.

#### 2.92 Toxic or Hazardous Substance.

Toxic or Hazardous Substance means any substance designated or defined as toxic or hazardous under any "Environmental Law" or that pose a risk to human health or safety, or the environment, and products and materials containing such substance. "Environmental Laws" means the Comprehensive Environmental Response, Compensation, and Liability Act, the Emergency Planning and Community Right-to-Know Act, the Water Pollution Control Act, the Air Pollution Control Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Occupational Safety and Health Act, and all other Federal, Sate or local laws or governmental regulations or requirements, that are similar to the above-referenced laws or that otherwise govern releases, chemicals, products, materials or wastes that may pose risks to human health or safety, or the environment, or that relate to the protection of wetlands or other natural resources.

#### 2.93 Traffic Factor 1.

For traffic exchanged via Interconnection Trunks, a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. ([Interstate Traffic Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use}] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU".

#### 2.94 Traffic Factor 2.

For traffic exchanged via Interconnection Trunks, a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ([{Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU".

### 2.95 Trunk Side.

A Central Office Switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example, to another carrier's network. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.

#### 2.96 [Intentionally Left Blank].

# 2.97 [Intentionally Left Blank].

# 2.98 V and H Coordinates Method.

A method of computing airline miles between two points by utilizing an established formula that is based on the vertical and horizontal coordinates of the two points.

# 2.99 [Intentionally Left Blank].

# 2.100 Wire Center.

A building or portion thereof which serves as a Routing Point for Switched Exchange Access Service. The Wire Center serves as the premises for one or more Central Offices.

#### ADDITIONAL SERVICES ATTACHMENT

#### 1. Alternate Billed Calls

1.1 The Parties will engage in settlements of intraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls) originated or authorized by their respective Customers in accordance with an arrangement mutually agreed to by the Parties.

# 2. Directory Assistance (DA) and Operator Services

2.1 Only to the extent that a party ("Providing Party") provides their own directory assistance or operator services, the other party ("Requesting Party") may request that the Providing Party provide the Requesting Party with non-discriminatory access to the Providing Party's directory assistance services (DA), intraLATA operator call completion services (OS) and directory assistance listings database. If either Party makes such a request, the Parties shall enter into a mutually acceptable written agreement for such access.

#### 3. Directory Listing and Directory Distribution.

Upon request by Sharon, and to the extent required by Applicable Law, Verizon will provide directory services to SHARON. Such services will be provided in accordance with the terms set forth herein.

# 3.1 <u>Listing Information.</u>

As used herein, "Listing Information" means a SHARON Customer's primary name, address (including city, state and zip code), telephone number(s), the delivery address and number of directories to be delivered, and, in the case of a business Customer, the primary business heading under which the business Customer desires to be placed, and any other information Verizon deems necessary for the publication and delivery of directories.

# 3.2 Listing Information Supply.

SHARON shall provide to Verizon on a regularly scheduled basis, at no charge, and in a format required by Verizon or by a mutually agreed upon industry standard (e.g., Ordering and Billing Forum developed), all Listing Information and the service address for each SHARON Customer whose service address location falls within the geographic area covered by the relevant Verizon directory. SHARON shall also provide to Verizon on a daily basis, (a) information showing SHARON Customers who have disconnected or terminated their service with SHARON; and (b) delivery information for each non-listed or non-published SHARON Customer to enable Verizon to perform it's directory distribution responsibilities. Verizon shall promptly provide to SHARON, (normally within forty-eight (48) hours of receipt by Verizon, excluding non-Business Days), a query on any listing that is not acceptable.

# 3.3 <u>Listing Inclusion and Distribution.</u>

Verizon shall include each SHARON Customer's Primary Listing in the appropriate alphabetical directory and, for business Customers, in the appropriate classified (Yellow Pages) directory in accordance with the directory

configuration, scope and schedules determined by Verizon in its sole discretion, and shall provide initial distribution of such directories to such SHARON Customers in the same manner it provides initial distribution of such directories to its own Customers. "Primary Listing" means a Customer's primary name, address, and telephone number. Listings of SHARON's Customers shall be interfiled with listings of Verizon's Customers and the Customers of other LECs included in the Verizon directories. SHARON shall pay Verizon's tariffed charges for additional and foreign alphabetical listings and other alphabetical services (e.g. caption arrangements) for SHARON's Customers.

## 3.4 <u>Verizon Information.</u>

Upon request by SHARON, Verizon shall make available to SHARON the following information to the extent that Verizon provides such information to its own business offices a directory list of relevant NXX codes, directory and "Customer Guide" close dates, publishing data, and Yellow Pages headings. Verizon also will make available to SHARON, upon written request, a copy of Verizon's alphabetical listings standards and specifications manual.

## 3.5 Confidentiality of Listing Information.

Verizon shall accord SHARON Listing Information the same level of confidentiality that Verizon accords its own listing information, and shall use such Listing Information solely for the purpose of providing directory-related services; provided, however, that should Verizon elect to do so, it may use or license SHARON Listing Information for directory publishing, direct marketing, or any other purpose for which Verizon uses or licenses its own listing information, so long as SHARON Customers are not separately identified as such; and provided further that SHARON may identify those of its Customers who request that their names not be sold for direct marketing purposes, and Verizon shall honor such requests to the same extent it does so for its own Customers. Verizon shall not be obligated to compensate SHARON for Verizon's use or licensing of SHARON Listing Information.

#### 3.6 Accuracy.

Both Parties shall use commercially reasonable efforts to ensure the accurate publication of SHARON Customer listings. At SHARON's request, Verizon shall provide SHARON with a report of all SHARON Customer listings normally no more than ninety (90) days and no less than thirty (30) days prior to the service order close date for the applicable directory. Verizon shall process any corrections made by SHARON with respect to its listings, provided such corrections are received prior to the close date of the particular directory.

### 3.7 Indemnification.

SHARON shall adhere to all practices, standards, and ethical requirements established by Verizon with regard to listings. By providing Verizon with Listing Information, SHARON warrants to Verizon that SHARON has the right to provide such Listing Information to Verizon on behalf of its Customers. SHARON shall make commercially reasonable efforts to ensure that any business or person to be listed is authorized and has the right (a) to provide the product or service offered, and (b) to use any personal or corporate name, trade name, trademark, service mark or language used in the listing. SHARON agrees to release, defend, hold harmless and indemnify Verizon from and against any and all claims, losses, damages, suits, or other actions, or any liability whatsoever,

suffered, made, instituted, or asserted by any person arising out of Verizon's publication or dissemination of the Listing Information as provided by SHARON hereunder.

#### 3.8 Liability.

Verizon's liability to SHARON in the event of a Verizon error in or omission of a listing shall not exceed the lesser of the amount of charges actually paid by SHARON for such listing or the amount by which Verizon would be liable to its own customer for such error or omission. SHARON agrees to take all reasonable steps, including, but not limited to, entering into appropriate contractual provisions with its Customers, to ensure that its and Verizon's liability to SHARON's Customers in the event of a Verizon error in or omission of a listing shall be subject to the same limitations of liability applicable between Verizon and its own Customers.

## 3.9 Service Information Pages.

Verizon shall include all SHARON NXX codes associated with the geographic areas to which each directory pertains, to the extent it does so for Verizon's own NXX codes, in any lists of such codes that are contained in the general reference portion of each directory. SHARON's NXX codes shall appear in such lists in the same manner as Verizon's NXX information. In addition, when SHARON is authorized to, and is offering, local service to Customers located within the geographic area covered by a specific directory, at SHARON's request, Verizon shall include, at no charge, in the "Customer Guide" or comparable section of the applicable alphabetical directories, SHARON's critical contact information for SHARON's installation, repair and Customer service, as provided by SHARON, and such other essential local service oriented information as is agreed to in writing by the Parties. Such critical contact information shall appear alphabetically by local exchange carrier and in accordance with Verizon's generally applicable policies. SHARON shall be responsible for providing the necessary information to Verizon by the applicable close date for each affected directory.

#### 3.10 Directory Publication.

Nothing in this Agreement shall require Verizon to publish a directory where it would not otherwise do so.

### 3.11 Other Directory Services.

SHARON acknowledges that if SHARON desires directory services in addition to those described herein, such additional services must be obtained under separate agreement with Verizon's directory publishing company.

# 4. Dialing Parity.

4.1 Each Party shall provide the other Party with nondiscriminatory access to such services and information as are necessary to allow the other Party to implement local Dialing Parity in accordance with the requirements of Section 251(b)(3) of the Act.

# 5. Voice Information Services Traffic.

5.1 For purposes of this Section 5, Voice Information Services and Voice Information Services Traffic refer to switched voice traffic, delivered to information service providers who offer recorded voice announcement information or open vocal discussion programs to the general public. Voice Information Services Traffic does not include any form of Internet Traffic. Voice Information Services Traffic also does not include 555 traffic or similar traffic with AIN service interfaces, which traffic shall be subject to separate arrangements between the Parties. Voice Information services Traffic is not subject to Reciprocal Compensation charges under Section 7 of the Interconnection Attachment.

## 6. Intercept and Referral Announcements

- 6.1 When a Customer changes its service provider from Verizon to SHARON, or from SHARON to Verizon, and does not retain its original telephone number, then, upon request, the Party formerly providing service to such Customer shall at the time of transfer provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides the Customer's new number or other appropriate information, to the extent known to the Party formerly providing service. Notwithstanding the foregoing, a Party shall not be obligated under this Section to provide a Referral Announcement if the Customer owes the Party unpaid overdue amounts or the Customer requests that no Referral Announcement be provided.
- 6.2 Referral Announcements shall be provided for business and residential Customers for the same time period(s) offered to the same class of Customers in the Party formerly providing service's end user Tariff. If SHARON has not tariffed such a service, it shall offer a Referral Announcement to Verizon for the same time period(s) specified in Verizon's end user Tariffs or, if no time period is specified in Verizon's end user Tariffs, Verizon, and SHARON (if it has not tariffed a Referral Announcement service) shall provide a Referral Announcement in the case of business Customers for not less than one hundred and twenty (120) days after the date the Customer changes its telephone number, and, in the case of residential Customers, not less than thirty (30) days after the date the Customer changes its telephone number; provided that if a longer time period is required by Applicable Law, such longer time period shall apply. Except as otherwise provided by Applicable Law, the period for a referral may be shortened by the Party formerly providing service if a number shortage condition requires reassignment of the telephone number.
- 6.3 Subject to the terms of the Pricing Attachment, this Referral Announcement will be provided by each Party at the charge, if any, set forth in its end user Tariff, provided that if SHARON has not tariffed the service, it shall provide a Referral Announcement at the same charge, if any, for a given class of Customers that is specified in Verizon's end user Tariff. Nothing in this Section 6 shall prevent the Party formerly providing service from billing its former Customer its standard Tariff charge if the Customer orders the service directly from the Party formerly providing service.
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#### INTERCONNECTION ATTACHMENT

## 1. General

Each Party ("Providing Party") shall provide to the other Party, in accordance with this Agreement and Applicable Law, interconnection with the Providing Party's network for the transmission and routing of Telephone Exchange Service.

#### 2. Points of Interconnection (POI) and Trunk Types

- 2.1 Point of Interconnection ("POI").
  - 2.1.1 The Parties agree to continue to interconnect using their historical interconnection arrangement specified in Appendix B. To the extent the originating Party's POI is not located at the terminating Party's relevant Interconnection Point ("IP"), the originating Party is responsible for transporting its traffic from its POI to the terminating Party's relevant IP.
  - 2.1.2 Unless otherwise agreed to by the Parties in writing, each Party ("Originating Party"), at its own expense, shall provide for delivery to the relevant IP of the other Party ("Receiving Party") Reciprocal Compensation Traffic and Measured Internet Traffic that the Originating Party wishes to deliver to the Receiving Party.

## 2.2 Trunk Types.

- 2.2.1 In interconnecting their networks pursuant to this Attachment, the Parties' will use, as appropriate, the following separate and distinct trunk groups:
  - 2.2.1.1 Interconnection Trunks for the transmission and routing of Reciprocal Compensation Traffic, translated LEC IntraLATA toll free service access code (e.g., 800/888/877) traffic, and IntraLATA Toll Traffic, between their respective Telephone Exchange Service Customers, and, Measured Internet Traffic, all in accordance with Sections 5 through 8 of this Attachment.
  - 2.2.1.2 If and when SHARON desires to subtend the Verizon access tandem for the transmission and routing of Exchange Access traffic, separate terms and conditions for such interconnection and trunks will be negotiated.
  - 2.2.1.3 Miscellaneous Trunk Groups as mutually agreed to by the Parties, including, but not limited to choke trunks for traffic congestion and testing.
- 2.2.2 Other types of trunk groups may be used by the Parties as provided in other Attachments to this Agreement (e.g., 911/E911 Trunks; Information Services Trunks) or in other separate agreements between the Parties (e.g., Directory Assistance Trunks, Operator Services Trunks, BLV/BLVI Trunks).
- 2.2.3 Except as otherwise provided in this Agreement, the Parties will mutually agree upon where One Way Interconnection Trunks (trunks with traffic

going in one direction, including one-way trunks and uni-directional two-way trunks) and/or Two Way Interconnection Trunks (trunks with traffic going in both directions) will be deployed.

#### 2.3 Two-Way Interconnection Trunks.

- 2.3.1 SHARON shall determine and order the number of Two-Way Interconnection Trunks that are required to meet the applicable design blocking objective for all traffic carried on each Two-Way Interconnection Trunk group, utilizing the inputs of peg count, usage, overflow usage, and an average time consistent busy hour. SHARON shall order Two-Way Interconnection Trunks by submitting ASRs to Verizon setting forth the number of Two-Way Interconnection Trunks to be installed and the requested installation dates within Verizon's effective standard intervals or negotiated intervals, as appropriate. SHARON shall complete ASRs in accordance with Ordering and Billing Forum Guidelines as in effect from time to time.
- 2.3.2 Verizon may monitor Two-Way Interconnection Groups using service results for the applicable design-blocking objective. If Verizon observes blocking in excess of the applicable design objective on any final Two-Way Interconnection Trunk group and SHARON has not notified Verizon that it has corrected such blocking, Verizon may submit to SHARON a Trunk Group Service Request directing SHARON to remedy the blocking. Upon receipt of a Trunk Group Service Request, SHARON will complete an ASR to augment the Two-Way Interconnection Group with excessive blocking and submit the ASR to Verizon within five (5) Business Days, or as otherwise mutually agreed by the Parties.
- 2.3.3 If the Parties do not agree on sizing of the trunk group, the Parties agree to exchange and compare the inputs each party has utilized to forecast the trunk requirement, in an effort to resolve the difference.
- 2.3.4 The performance standard on final Two-Way Interconnection Trunks shall be that no such Interconnection Trunk group will exceed its design blocking objective (B.01) for three (3) consecutive calendar traffic study months.
- 2.3.5 Because Verizon will not be in control of the timing and sizing of the Two-Way Interconnection Trunks between its network and SHARON's network, neither Party's performance on these Two-Way Interconnection Trunk groups shall be subject to any performance measurements and remedies under this Agreement, and, except as otherwise required by Applicable Law, under any FCC or Commission approved carrier-to-carrier performance assurance guidelines or plan.
- 2.3.6 Upon three (3) months prior written notice and with the mutual agreement of the Parties, either Party may withdraw its traffic from a Two-Way Interconnection Trunk group and install One-Way Interconnection Trunks to the applicable POI.

#### 2.4 One Way Interconnection Trunks.

2.4.1 If a Party elects to provision its own One Way trunks, that Party will be responsible for the expense of providing such trunks for the delivery of

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## 4. Initiating Interconnection

4.1 If SHARON determines to offer Telephone Exchange Services and to interconnect with Verizon at any point(s) other than that specified in Appendix B, or to initiate any augments of the existing facilities as shown in Appendix B, or to terminate Reciprocal Compensation or Measured Internet Traffic to Verizon Customers not directly served out of Verizon's Darien End Office as specified in Section 7.1.2, or to utilize any NPA/NXX codes other than what is shown in Appendix B, SHARON shall provide written notice to Verizon of the need to establish such Interconnection, and such additional arrangements shall be subject to mutual agreement and good faith negotiation by the Parties and reflected by terms separate from this Agreement.

# 5. Transmission and Routing of Telephone Exchange Service Traffic

#### 5.1 Scope of Traffic.

Section 5 prescribes parameters for Interconnection Trunks used for Interconnection pursuant to Sections 2 through 4 of this Attachment.

# 5.2 Trunk Group Connections and Ordering.

- 5.2.1 Both Parties shall use a DS-1 interface at the POI. Upon mutual agreement, the Parties may use other types of interfaces, such as DS-3 or STS-1, at the POI, when and where available. If the Parties determine there is a need to establish an interface at the DS-3 or higher level, such additional arrangements shall be subject to mutual agreement and good faith negotiation by the Parties and reflected by terms separate from this Agreement.
- 5.2.2 Each Party will identify its Carrier Identification Code, a three or four digit numeric code obtained from Telcordia, to the other Party when ordering a trunk group.
- 5.2.3 At such time as mandatory ten (10) digit dialing for Traffic is deployed by the Parties, each Party will outpulse ten (10) digits to the other Party, otherwise each Party may outpulse either seven (7) or ten (10) digits to the other Party.
- 5.2.4 Each Party will use commercially reasonable efforts to monitor trunk groups under its control and to augment those groups using generally accepted trunk engineering standards so as to not exceed blocking objectives. Each Party agrees to use modular trunk engineering techniques for trunks subject to this Attachment.
- 5.3 <u>Signaling</u>. To the extent necessary, each Party will provide the other Party with access to its databases and associated signaling necessary for the routing and completion of the other Party's traffic in accordance with the provisions contained in the applicable access tariff. Nothing in this section requires that the existing

- trunk group (including any augments) between the Parties be changed from MF to SS7 signaling, however, any new trunk group(s) established between the Parties will utilize SS7 signaling.
- 5.4 <u>Grades of Service</u>. The Parties shall initially engineer and shall monitor and augment all trunk groups consistent with the Joint Process as set forth in Section 14.1.

# 6. Traffic Measurement and Billing over Interconnection Trunks

- 6.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on at least ninety-five percent (95%) of calls carried over those Interconnection Trunks which utilize SS7 signaling.
  - 6.1.1 As used in this Section 6, "Traffic Rate" means the applicable Reciprocal Compensation Traffic rate, Measured Internet Traffic rate, intrastate Switched Exchange Access Service rate, interstate Switched Exchange Access Service rate, or intrastate/interstate Tandem Transit Traffic rate, as provided in the Pricing Attachment, an applicable Tariff, or, for Measured Internet Traffic, the FCC Internet Order.
  - 6.1.2 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Traffic Rate applicable to each relevant minute of traffic, in direct proportion to the minutes of use of calls passed with CPN information.
  - 6.1.3 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation Traffic and Toll Traffic on the same trunk group, the receiving Party shall bill the higher of its interstate Switched Exchange Access Service rates or its intrastate Switched Exchange Access Services rates for all traffic that is passed without CPN, unless the Parties agree that other rates should apply to such traffic.
- 6.2 At such time as a receiving Party has the capability, on an automated basis, to use such CPN to classify traffic delivered over Interconnection Trunks by the other Party by Traffic Rate type (e.g., Reciprocal Compensation Traffic/Measured Internet Traffic, intrastate Switched Exchange Access Service, interstate Switched Exchange Access Service, or intrastate/interstate Tandem Transit Traffic), such receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. If the receiving Party lacks the capability, on an automated basis, to use CPN information on an automated basis to classify traffic delivered by the other Party by Traffic Rate type, the originating Party will supply Traffic Factor 1 and Traffic Factor 2. Unless otherwise agreed to in writing, the Traffic Factors shall be supplied in writing by the originating Party within thirty (30) days of the Effective Date and shall be updated in writing by the originating Party quarterly. Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds (the time in seconds that the Parties equipment is used for a completed call, measured from the receipt of answer supervision to the receipt of disconnect supervision). Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs. Determinations as to whether

- traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be made in accordance with Section 7.3.2.1 below.
- 6.3 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.
- Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.

# 7. Reciprocal Compensation Arrangements Pursuant to Section 251(b)(5) of the Act

- 7.1 Reciprocal Compensation Traffic Interconnection Points.
  - 7.1.1 The Interconnection Point ("IP") from which SHARON will provide transport and termination of Reciprocal Compensation Traffic to its Customers ("SHARON-IP") shall be the POI as described in Appendix B -- which is located within the Verizon Darien Rate Center Area where SHARON has assigned telephone numbers to its Customers to be served pursuant to this Agreement in accordance with Section 13 of this Interconnection Attachment, and as reflected in Appendix B. For any NXX codes implemented by Sharon that are not contained in Appendix B, before any traffic bearing such new NXX codes is exchanged, Sharon shall request negotiations in accordance with Section 4.1 of this Attachment, and except as otherwise agreed by the Parties, SHARON shall establish a SHARON-IP in each Verizon Local Calling Area where SHARON chooses to assign these telephone numbers to its Customers.
  - 7.1.2 The Interconnection Point ("IP") from which Verizon will provide transport and termination of Reciprocal Compensation Traffic to its Customers ("Verizon-IP") shall be the terminating Verizon End Office switch (DARNWIXADS2) serving those Verizon Customers. If Sharon wishes to terminate Reciprocal Compensation Traffic or Measured Internet Traffic to Verizon Customers not directly served by the above-mentioned Verizon End Office switch, Sharon shall invoke the negotiation procedure set forth in Section 4.1 of this Attachment and Verizon's IPs for traffic that Sharon wishes to deliver to such Customers shall be as follows:
    - 7.1.2.1 For Reciprocal Compensation Traffic delivered by SHARON to the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer, the Verizon IP will be the Verizon Tandem switch.
    - 7.1.2.2 For Reciprocal Compensation Traffic delivered by SHARON to the Verizon terminating End Office serving the Verizon Customer, the Verizon IP will be the Verizon End Office switch.
  - 7.1.3 Each Party is responsible for delivering its Reciprocal Compensation Traffic that is to be terminated by the other Party to the other Party's

#### relevant IP.

## 7.2 Reciprocal Compensation.

The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic delivered to the terminating Party in accordance with Section 251(b)(5) of the Act at the rates stated in the Pricing Attachment. These rates are to be applied at the SHARON-IP for traffic delivered by Verizon for termination by SHARON, and at the Verizon-IP for traffic delivered by SHARON for termination by Verizon. Except as expressly specified in this Agreement, no additional charges shall apply for the termination from the IP to the Customer of Reciprocal Compensation Traffic delivered to the Verizon-IP by SHARON or the SHARON-IP by Verizon. When such Reciprocal Compensation Traffic is delivered over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.

## 7.3 Traffic Not Subject to Reciprocal Compensation.

- 7.3.1 Reciprocal Compensation shall not apply to interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access.
- 7.3.2 Pursuant to the FCC Internet Order, Reciprocal Compensation shall not apply to Internet Traffic.
  - 7.3.2.1 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).
- 7.3.3 Reciprocal Compensation shall not apply to Toll Traffic, including, but not limited to, calls originated on a 1+presubscription basis, or on a casual dialed (10XXX/101XXXX) basis.
- 7.3.4 Reciprocal Compensation shall not apply to Optional Extended Local Calling Area Traffic.
- 7.3.5 Reciprocal Compensation shall not apply to special access, private line, or any other traffic that is not switched by the terminating Party.
- 7.3.6 Reciprocal Compensation shall not apply to Tandem Transit Traffic.
- 7.3.7 Reciprocal Compensation shall not apply to Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment).

7.4 The Reciprocal Compensation rates (including, but not limited to, the Reciprocal Compensation per minute of use rates) billed by SHARON to Verizon shall not exceed the Reciprocal Compensation rates (including, but not limited to, Reciprocal Compensation per minute of use rates) billed by Verizon to SHARON.

#### 8. Other Types of Traffic.

- 8.1 Notwithstanding any other provision of this Agreement or any Tariff: (a) the Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order and other applicable FCC orders and FCC Regulations; and, (b) a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations.
- 8.2 The Parties recognize that the existing interconnection between them is a direct end office trunk group, and as such, there should be no third party traffic transmitted between them. At such time as any third party traffic is transmitted between them, the Parties agree to negotiate terms for the transport and termination of such traffic.
- 8.3 Any traffic not specifically addressed in this Agreement shall be treated as required by the applicable Tariff of the Party transporting and/or terminating the traffic.

## 8.4 Interconnection Points.

- 8.4.1 The IP of a Party ("Receiving Party") for Measured Internet Traffic delivered to the Receiving Party by the other Party shall be the same as the IP of the Receiving Party for Reciprocal Compensation Traffic under Section 7.1 above.
- 8.4.2 Except as otherwise set forth in the applicable Tariff of a Party ("Receiving Party") that receives Toll Traffic from the other Party, the IP of the Receiving Party for Toll Traffic delivered to the Receiving Party by the other Party shall be the same as the IP of the Receiving Party for Reciprocal Compensation Traffic under Section 7.1 above.
- 8.4.3 The IP for traffic exchanged between the Parties that is not Reciprocal Compensation Traffic, Measured Internet Traffic or Toll Traffic, shall be as specified in the applicable provisions of this Agreement or the applicable Tariff of the receiving Party, or in the absence of applicable provisions in this Agreement or a Tariff of the receiving Party, as mutually agreed by the Parties.

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# 11. Toll Free Service Access Code (e.g., 800/888/877) Traffic

The following terms shall apply when either Party delivers toll free service access code (e.g., 800/888/877) ("800") calls to the other Party.

- 11.1 If and when SHARON performs an end office 800 database query and delivers such queried toll free service access code calls to Verizon for delivery to Verizon or another LEC that is a toll free service access code service provider in the LATA:
  - 11.1.1 SHARON shall provide an appropriate EMI record to the toll free service access code service provider; and
  - 11.1.2 SHARON's Tariffed Feature Group D ("FGD") Switched Exchange Access or Reciprocal Compensation charges, as applicable, and the SHARON query charge, shall be assessed to the toll free service access code service provider; and
  - 11.1.3 Verizon shall assess applicable Tandem Transit Service charges and associated passthrough charges to SHARON.
- 11.2 When Verizon delivers toll free service access code calls that have been queried to an "800" database, originated by Verizon's or another LEC's Customers, to SHARON where the queried call is an intraLATA call that is handed off to SHARON in SHARON's capacity as a toll free service access code service provider:
  - 11.2.1 Verizon shall bill SHARON the Verizon query charge associated with the call as specified in the Pricing Attachment; and
    - 11.2.1.1 Verizon shall provide an appropriate EMI record to SHARON; and
    - 11.2.1.2 Verizon's Tariffed FGD Switched Exchange Access or Reciprocal Compensation charges shall be billed to SHARON as applicable.
- 11.3 Unqueried Toll Free Service Access Code (e.g., 800/88/8/877) Traffic.
  - 11.3.1.1 If and when SHARON chooses Verizon to handle toll free service access code (e.g.,800/888/877) ("800") database queries from SHARON's central office switches, terms and conditions for such an arrangement will be negotiated.
- 11.4 Each Party will not direct unqueried toll free service access code call to the other Party.

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# 13. Number Resources, Rate Centers and Routing Points

- 13.1 Nothing in this Agreement shall be construed to limit or otherwise adversely affect in any manner either Party's right to employ or to request and be assigned any Central Office Codes ("NXX") pursuant to the Central Office Code Assignment Guidelines and any relevant FCC or Commission orders, as may be amended from time to time, or to establish, by Tariff or otherwise, Rate Centers and Routing Points corresponding to such NXX codes.
- 13.2 It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to information provided on ASRs as well

- as the LERG in order to recognize and route traffic to the other Party's assigned NXX codes. Except as expressly set forth in this Agreement, neither Party shall impose any fees or charges whatsoever on the other Party for such activities.
- 13.3 Unless otherwise required by Commission order, the Rate Center Areas will be the same for each Party. During the term of this Agreement, SHARON shall adopt the Rate Center Area and Rate Center Points that the Commission has approved for Verizon within the LATA and Tandem serving area, in all areas where Verizon and SHARON service areas overlap. SHARON shall assign whole NPA-NXX codes to each Rate Center Area unless otherwise ordered by the FCC, the Commission or another governmental entity of appropriate jurisdiction, or the LEC industry adopts alternative methods of utilizing NXXs.
- 13.4 The Parties recognize that SHARON currently has one NXX code assigned to the Darien, Wisconsin Rate Center, and that the routing point for this NXX is as specified in Appendix B. If and when SHARON procures additional NXX codes assigned to Rate Centers other than Darien, Wisconsin, the Parties agree to negotiate separate terms and conditions for such traffic.
- 13.5 Notwithstanding anything to the contrary contained herein, nothing in this Agreement is intended, and nothing in this Agreement shall be construed, to in any way constrain SHARON's choices regarding the size of the local calling area(s) that SHARON may establish for its Customers, which local calling areas may be larger than, smaller than, or identical to Verizon's local calling areas.

# 14. Joint Network Implementation and Grooming Process; and Installation, Maintenance, Testing and Repair

14.1 Joint Network Implementation and Grooming Process.

Upon request of either Party, the Parties shall jointly develop an implementation and grooming process (the "Joint Grooming Process" or "Joint Process") which may define and detail, inter alia.

- 14.1.1 standards to ensure that Interconnection Trunks experience a grade of service, availability and quality which is comparable to that achieved on interoffice trunks within Verizon's network and in accord with all appropriate relevant industry-accepted quality, reliability and availability standards. Except as otherwise stated in this Agreement, trunks provided by either Party for Interconnection services will be engineered using a design blocking objective of B.01.
- 14.1.2 the respective duties and responsibilities of the Parties with respect to the administration and maintenance of the trunk groups, including, but not limited to, standards and procedures for notification and discoveries of trunk disconnects;
- 14.1.3 disaster recovery provision escalations;
- 14.1.4 such other matters as the Parties may agree, including, e.g., End Office to End Office high usage trunks as good engineering practices may dictate.
- 14.2 <u>Installation, Maintenance, Testing and Repair.</u>

Unless otherwise agreed in writing by the Parties, to the extent required by Applicable Law, Interconnection provided by a Party shall be equal in quality to that provided by such Party to itself, any subsidiary, affiliates or third party. If either Party is unable to fulfill its obligations under this Section 14.2, it shall notify the other Party of its inability to do so and will negotiate alternative intervals in good faith. The Parties agree that to the extent required by Applicable Law, the standards to be used by a Party for isolating and clearing any disconnections and/or other outages or troubles shall be at parity with standards used by such Party with respect to itself, any subsidiary, affiliate or third party.

## 14.3 Forecasting Requirements for Trunk Provisioning.

Unless mutually agreed to by the Parties, within ninety (90) days of executing this Agreement, SHARON shall provide Verizon a two (2) year traffic forecast. This initial forecast will provide the amount of traffic to be delivered to and from Verizon over each of the Interconnection Trunk groups over the next eight (8) quarters. The forecast shall be updated and provided to Verizon on an asneeded basis but no less frequently than semiannually, unless otherwise agreed in writing between the Parties. All forecasts shall comply with the Verizon CLEC Interconnection Trunking Forecast Guide and shall include, at a minimum, Access Carrier Terminal Location ("ACTL"), traffic type (Reciprocal Compensation Traffic/Toll Traffic, Operator Services, 911, etc.), code (identifies trunk group), A location/Z location (CLLI codes for SHARON-IPs and Verizon-IPs), interface type (e.g., DS1), and trunks in service each year (cumulative).

- 14.3.1 Initial Forecasts/Trunking Requirements. Because Verizon's trunking requirements will, at least during an initial period, be dependent on the Customer segments and service segments within Customer segments to whom SHARON decides to market its services. Verizon will be largely dependent on SHARON to provide accurate trunk forecasts for both inbound (from Verizon) and outbound (to Verizon) traffic. Verizon will, as an initial matter provide the same number of trunks to terminate Reciprocal Compensation Traffic to SHARON as SHARON provides to terminate Reciprocal Compensation Traffic to Verizon. At Verizon's discretion, when SHARON expressly identifies particular situations that are expected to produce traffic that is substantially skewed in either the inbound or outbound direction, Verizon will provide the number of trunks SHARON suggests; provided, however, that in all cases Verizon's provision of the forecasted number of trunks to SHARON is conditioned on the following: that such forecast is based on reasonable engineering criteria, there are no capacity constraints, and SHARON's previous forecasts have proven to be reliable and accurate.
  - 14.3.1.1 Monitoring and Adjusting Forecasts. Verizon will, for ninety (90) days, monitor traffic on each trunk group that it establishes at SHARON's suggestion or request pursuant to the procedures identified in Section 14.3.1. At the end of such ninety (90) day period, Verizon may disconnect trunks that, based on reasonable engineering criteria and capacity constraints, are not warranted by the actual traffic volume experienced. If, after such initial ninety (90) day period for a trunk group, Verizon determines that any trunks in the trunk group in excess of two (2) DS-1s are not warranted by actual traffic volumes (considering engineering criteria for busy hour CCS and blocking percentages), then Verizon may hold SHARON financially responsible for the excess facilities.

14.3.1.2 In subsequent periods, Verizon may also monitor traffic for ninety (90) days on additional trunk groups that SHARON suggests or requests Verizon to establish. If, after any such (90) day period, Verizon determines that any trunks in excess of two (2) DS-1's in the trunk group are not warranted by actual traffic volumes (considering engineering criteria for busy hour CCS and blocking percentages), then Verizon may hold SHARON financially responsible for the excess facilities. At any time during the relevant ninety (90) day period, SHARON may request that Verizon disconnect trunks to meet a revised forecast. In such instances, Verizon may hold SHARON financially responsible for the disconnected trunks retroactive to the start of the ninety (90) day period through the date such trunks are disconnected.

#### 15. Number Portability - Section 251(B)(2)

## 15.1 Scope

The Parties shall provide Number Portability ("NP") in accordance with rules and regulations as from time to time prescribed by the FCC.

Each Party shall provide the other Party with number portability for the purpose of allowing end user Customers to change their service providing Party without changing their telephone number. The Parties will provide Long Term Number Portability ("LNP") in accordance with the rules and regulations as from time to time prescribed by the FCC, however, if either party is not LNP-capable, said Party shall provide Interim Number Portability ("INP"), in accordance with the rules and regulations from time to time prescribed by the FCC. INP will be provided by remote call forwarding or such other means as agreed to by the Parties. Nothing in this Agreement shall require a Party to make its network LNP-capable, if its network is not already LNP-capable.

For purposes of this Agreement, the Parties agree that neither Party will charge the other Party monthly recurring and nonrecurring charges for remote call forwarding. In exchange for this consideration, the Parties agree that all interstate and intrastate access charges (as set forth in the providing Parties' interstate and intrastate access tariffs) paid by exchange carriers (IXC's) that terminate calls to telephone numbers forwarded to the other Party via INP will be retained by the Party providing remote call forwarding.

15.2 Procedures for Providing LNP ("Long-term Number Portability").

The Parties will follow the LNP provisioning process recommended by the North American Numbering Council (NANC) and adopted by the FCC. In addition, the Parties agree to follow the LNP ordering procedures established at the Ordering And Billing Forum (OBF). Subject to Section 15.1, the Parties shall provide LNP on a reciprocal basis.

15.2.1 A Customer of one Party ("Party A") elects to become a Customer of the other Party ("Party B"). The Customer elects to utilize the original telephone number(s) corresponding to the Telephone Exchange Service(s) it previously received from Party A, in conjunction with the Telephone Exchange Service(s) it will now receive from Party B. After Party B has received a letter of agency (LOA) from an end user customer

- and sends a LSR to Party A, Parties A and B will work together to port the customer's telephone number(s) from Party A's network to Party B's network. It is Party B's responsibility to maintain a file of all LOAs and Party A may request, upon reasonable notice, a copy of the LOA.
- 15.2.2 When a telephone number is ported out of Party A's network, Party A will remove any non-proprietary line based calling card(s) associated with the ported number(s) from its Line Information Database ("LIDB"). Reactivation of the line-based calling card in another LIDB, if desired, is the responsibility of Party B or Party B's customer.
- 15.2.3 When a customer of Party A ports their telephone numbers to Party B and the customer has previously secured a reservation of line numbers from Party A for possible activation at a future point, these reserved but inactive numbers may be ported along with the active numbers to be ported provided the numbers have been reserved for the customer. Party B may request that Party A port all reserved numbers assigned to the customer or that Party A port only those numbers listed by Party B. As long as Party B maintains reserved but inactive numbers ported for the customer, Party A shall not reassign those numbers. Party B shall not reassign the reserved numbers to another end user customer.
- 15.2.4 When a customer of Party A ports their telephone numbers to Party B, in the process of porting the customer's telephone numbers, Party A shall implement the ten-digit trigger feature where it is available. When Party A receives the porting request, the unconditional trigger shall be applied to the customer's line before the due date of the porting activity. When the ten-digit unconditional trigger is not available, Party A and Party B must coordinate the disconnect activity.
- 15.2.5 The Parties shall furnish each other with the Jurisdiction Information Parameter (JIP) in the Initial Address Message (IAM), containing a Local Exchange Routing Guide (LERG)-assigned NPA-NXX (6 digits) identifying the originating switch on calls originating from LNP capable switches.
- 15.2.6 Where LNP is commercially available, the NXXs in the office shall be defined as portable, except as noted in 15.2.7, and translations will be changed in the Parties' switches to open those NXXs for database queries in all applicable LNP capable offices within the LATA of the given switch(es). On a prospective basis, all newly deployed switches will be equipped with LNP capability and so noted in the LERG.
- 15.2.7 All NXXs assigned to LNP capable switches are to be designated as portable unless a NXX(s) has otherwise been designated as non-portable. Non-portable NXXs include NXX codes assigned to paging, cellular and wireless services; codes assigned for internal testing and official use and any other NXX codes required to be designated as non-portable by the rules and regulations of the FCC. NXX codes assigned to mass calling on a choked network may not be ported using LNP technology but are portable using methods established by the NANC and adopted by the FCC. On a prospective basis, newly assigned codes in switches capable of porting shall become commercially available for porting with the effective date in the network.
- 15.2.8 Both Parties' use of LNP shall meet the performance criteria specified by

the FCC. Both Parties will act as the default carrier for the other Party in the event that either Party is unable to perform the routing necessary for LNP.

#### PRICING ATTACHMENT

#### 1. General

- 1.1 As used in this Attachment, the term "Charges" means the rates, fees, charges and prices for a Service.
- 1.2 Except as stated in Section 2 or Section 3, below, Charges for Services shall be as stated in this Section 1.
- 1.3 The Charges for a Service shall be the Charges for the Service stated in the Providing Party's applicable Tariff.
- 1.4 In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.
- 1.5 The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by any applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.
- 1.6 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.5, if Charges for a Service are otherwise expressly provided for in this Agreement, such Charges shall apply.
- 1.7 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.6, the Charges for the Service shall be the Providing Party's FCC or Commission approved Charges.
- 1.8 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.7, the Charges for the Service shall be mutually agreed to by the Parties in writing.

#### 2. SHARON Prices

Notwithstanding any other provision of this Agreement, the Charges that SHARON bills Verizon for SHARON's Services shall not exceed the Charges for Verizon's comparable Services, except to the extent the SHARON has demonstrated to Verizon, or, at Verizon's request, to the Commission or the FCC, that SHARON's cost to provide such SHARON Services to Verizon exceeds the Charges for Verizon's comparable Services.

#### 3. Section 271

If Verizon is a Bell Operating Company (as defined in the Act) and in order to comply with Section 271(c)(2)(B) of the Act provides a Service under this Agreement that Verizon is not required to provide by Section 251 of the Act, Verizon shall have the right to establish Charges for such Service in a manner that differs from the manner in which under

Applicable Law (including, but not limited to, Section 252(d) of the Act) Charges must be set for Services provided under Section 251.

# 4. Regulatory Review of Prices

Notwithstanding any other provision of this Agreement, each Party reserves its respective rights to institute an appropriate proceeding with the FCC, the Commission or other governmental body of appropriate jurisdiction: (a) with regard to the Charges for its Services (including, but not limited to, a proceeding to change the Charges for its services, whether provided for in any of its Tariffs, in Appendix A, or otherwise); and (b) with regard to the Charges of the other Party (including, but not limited to, a proceeding to obtain a reduction in such Charges and a refund of any amounts paid in excess of any Charges that are reduced).

#### APPENDIX A TO THE PRICING ATTACHMENT

- I. Rates and Charges for Transportation and Termination of Traffic
  - A. The Reciprocal Compensation Traffic Termination rate element that applies to Reciprocal Compensation Traffic on a minute of use basis for traffic that is delivered to an End Office is \$0.0071951\*.

\*Certain of the rates and charges set forth above, as indicated by an "asterisk", are arbitrated rates taken from the previously arbitrated Interconnection, Resale and Unbundling Agreement between Verizon and AT&T Communications, which was approved by the Commission in an Order dated December 12, 1996, in Docket Nos. 265-MA-102 and 2180-MA-100. Verizon has agreed to use and to incorporate herein such arbitrated rates subject to the following: The Parties expressly agree (1) that such arbitrated rates shall not be deemed to have been voluntarily negotiated by the Parties and such arbitrated rates are not subject to interstate MFN obligations under Appendix D, Sections 31 and 32, of the Merger Order, as set forth more fully in Section 37.2 of the General Terms and Conditions; and (2) that, for purposes of calculating Reciprocal Compensation, the arbitrated rates shall not apply to Internet Traffic, as set forth more fully in Section 7.3.2 of the Interconnection Attachment. The foregoing shall not, in any way, limit any other term, condition, limitation or reservation of right in the Agreement that applies to rates, including, but not limited to, Section 37 of the General Terms and Conditions. The Parties further agree that the Commission's Order in Docket Nos. 265-MA-102 and 2180-MA-100, to the extent such Order established the arbitrated rates, shall be deemed an "arbitration decision associated with this Agreement" under Section 37.1 of the General Terms and Conditions.

# APPENDIX B INTERCONNECTION LOCATION

Verizon and Sharon are interconnected on a DSI level, at a mutual POI located on Madison Street approx. 3800 feet east of the intersection of Foundry Rd. and Madison Street, in Darien, WI. (CLLI code is DARNWIADAMD). The scope of this interconnection is agreed to be limited to the Customers immediately served by Sharons' switch (DARNWIXBRSO) and Verizons' switch (DARNWIXADS2). The Parties further agree that, unless otherwise mutually agreed to in writing, the traffic that is exchanged between the Parties is limited to traffic that is originated from and terminated to the NPA/NXX codes assigned to the Darien, Wisconsin Rate Center of 262-724 and 262-882. Should Sharon wish to terminate traffic to Verizon Customers not immediately served out of Verizon's Darien End Office, or should it implement NPA/NXX codes other than those listed in this Appendix, it shall request negotiations in accordance with Section 4.1 of the Agreement's Interconnection Attachment, and the applicable provisions of Sections 7.1.1 and 7.1.2 of the Interconnection Attachment shall be applied to those negotiations.